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Southeast Asia Report

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JPRS-SEA-86-190
24 OCTOBER 1986

SOUTHEAST ASIA REPORT

CONTENTS

PHILIPPINES

Canada Liberalizes Usage of Aid Money
(BUSINESS DAY, 24 Sep 86) 1

TUCP, Others Assail Government on Agricultural Workers
(BUSINESS DAY, 15 Sep 86) 3

BUSINESS DAY on Bandila Alliance
(Emanuel V. Soriano; BUSINESS DAY, 23 Sep 86) 5

KMU Head Condemns New Strike Guidelines
(THA MANILA CHRONICLE, 26 Sep 86) 8

Ousted T'Boli Mayor, 900 Men Pledge Allegiance
(THE MANILA TIMES, 16 Sep 86) 9

Loyalists Form Group to Monitor Government
(Rene Caparas; THE MANILA EVENING POST, 22 Sep 86) 10

46 Military Officers To Be Tried for Graft
(Joel D. Lacsamana; NEW DAY, 15 Sep 86) 12

Military Response to Indiscipline 'Reassuring'
(Editorial; THE MANILA CHRONICLE, 16 Sep 86) 14

Manila Paper on NPA's 'Agrarian Revolution'
(Jo Clemente; FILIPINO TIMES, 12-18 Sep 86) 16

Minister Says NPA Active in Resettlement Sites
(THE MANILA TIMES, 25 Sep 86) 19

Columnist on Government Seriousness in Peace Talks
(Ninez Cacho-Olivares; BUSINESS DAY, 16 Sep 86) 21

Industrialist on NPA, Other Problems for Business
(Mar Victoria Gochoco-Perez; BUSINESS DAY, 25 Sep 86) 23

Editorial Stresses Need To Continue Peace Offensive
(THE MANILA CHRONICLE, 26 Sep 86) 25

Nur Misuari Reassures Mindanao Christians
(Manuel Del Carmen; ANG PAHAYAGANG MALAYA, 25 Sep 86) 27

Economic Minister Confident of Positive Growth
(BUSINESS DAY, 15 Sep 86) 28

Draft Economic Development Plan Ready in September
(BUSINESS DAY, 16 Sep 86) 30

Minister Notes Improved Industrial, Export Performance
(PNA, 17 Sep 86) 32

National Development Company To Sell Shares
(AFP, 16 Sep 86) 34

CB Bills' Issuance Causes Reserve Money Decline
(Daniel C. Yu; BUSINESS DAY, 16 Sep 86) 35

More Loans Needed To Shore Up Balance of Payments
(Daniel C. Yu; BUSINESS DAY, 25 Sep 86) 37

Economic Indicator on Increase of Central Bank Lendings
(BUSINESS DAY, 15 Sep 86) 39

Jan-Sep 86 Strikes Up 56.8 Percent Over 1985
(Willie Jose; THE MANILA JOURNAL, 26 Sep 86) 42

Briefs
Peace and Order in Ilocos Sur 43

THAILAND

Prime Minister Adviser Comments on Coup Trial, Constitution
(SIAM RAT, 13 Aug 86) 44

Prasong Discusses Political, Economic Ties With Laos
(MATICHON SUT SAPDA, 10 Aug 86) 46

Paper Urges Increased Trade With Laos
(Editorial; THAI RAT, 26 Sep 86) 52

Columnist on Improved Relations With Laos
(Chaiwat Yonpiam; SIAM RAT, 1 Oct 86) 54

Station Comments on SRV's 'Political Offensives'
(Bangkok Voice of Free Asia, 24 Sep 86) 56

Burma Border Smuggling, Police Corruption Described
(MATICHON SUT SAPDA, 17 Aug 86) 58

Internal Security, Refugee, Drug Policies Outlined
(SIAM RAT, 6 Sep 86) 61

Opposition MP's Allegedly Offered Money
(BANGKOK POST, 3 Oct 86) 64

Official on 'Major Reorganization' of Defense
(BANGKOK POST, 29 Sep 86) 66

Army Spokesman Says Communist Insurgency Ebbing
(NAEO NA, 26 Sep 86) 67

Army Seek Closer Ties With Muslim Community
(BANGKOK POST, 6 Oct 86) 68

Air Force Staff College Commander Profiled
(LAENG KHAO, 27 Jul-2 Aug 86) 69

Special Warfare Deputy Commander Profiled
(MATICHON SUT SAPDA, 10 Aug 86) 70

Budget Balancing, Borrowing Discussed
(DAILY NEWS, 12 Aug 86) 71

Bank Loans to Agriculture Sector Short of Goal
(SIAM RAT, 28 Aug 86) 73

Budget Bill Passes House's First Reading
(BANGKOK POST, 2 Oct 86) 75

Low Priority Given to Eastern Seaboard Projects
(BANGKOK POST, 30 Sep 86) 76

Government Agrees To Invest in Tantalum Project
(BANGKOK POST, 3 Oct 86) 77

Dailies View Government's Decision on Copyrights
(Various sources, 17, 18 Sep 86) 79

Briefs
Prem Adviser Quits Bank 81
Outgoing Brazilian Ambassador 81
New Philippines Ambassador 81
Sonthi Sees Increased Trade With Laos 81
GDR Engineering Delegation to Visit 82
Assistance From Canada 82
Agricultural Export Economic Zones 82
Thailand, Poland Agreement 82

Helicopter Purchase Remains Uncertain 83
Thai-Malaysian Border Meeting 83
Refugees Flee Burma Fighting 83
Progressive Party Leaders 83
Piracy Committee Set Up 84
ASEAN Legal Experts To Meet 84
Farm Act Affecting Corn Exports 84
MP's To Counter 'U.S. Protectionism' 84

PEOPLE'S REPUBLIC OF KAMPUCHEA

Briefs
Returnees in Siem Reap-Oddar Meanchey 85
Misled People Return 85

VIETNAM

MILITARY AFFAIRS AND PUBLIC SECURITY

Ho Chi Minh City Posts, Telecommunications Office Robbed
(SAIGON GIAI PHONG, 1 Aug 86) 86

Juveniles Steal Cement Off Trucks in Front of Cement Plant
(Tran Thai Hoa; SAIGON GIAI PHONG, 1 Aug 86) 88

INTERNATIONAL RELATIONS, TRADE, AND AID

NHAN DAN Marks Nuremberg Trial Anniversary
(VNA, 1 Oct 86) 89

VNA Reports Main September Events in SRV
(VNA, 2 Oct 86) 90

Briefs
Swedish Assistance 92
Women's Delegation Visits Australia 92
Italian Envoy Presents Credentials 92
Tunisian Foreign Minister Greeted 93
Dung Greets Czechoslovakia's Army Day 93
Agreement With Mozambique 93
GDR Lecturer Visits 93
Accord Signed With Bulgaria 93
Government Delegation Arrives 93
Machungo Receives SRV Ambassador 94
Foreign Minister Supports Indochina 94

PARTY ACTIVITIES AND GOVERNMENT

Constitution, Institutionalization of Party Line Discussed
(Nguyen Dinh Loc; LUAT HOC, No 4, Oct-Dec 85) 95

Party Cleanup in Lien Son Reported
(Tien Luc; HA NAM NINH, 27 Jun 86) 105

Remiss Management in Nguyen Xa Cooperative Discussed
(Nguyen Ngoc; HA NAM NINH, 27 Jun 86) 107

Fatherland Front in Three Cities Reviews Efforts To Help People
(Le Doan Hoan; SAIGON GIAI PHONG, 1 Aug 86) 109

ECONOMIC PLANNING, TRADE, AND FINANCE

City Issues New Directive on Development of Shrimp, Fish Industry
(SAIGON GIAI PHONG, 1 Aug 86) 111

Success in Economic Association Noted
(HANOI MOI, 1 Aug 86) 112

AGRICULTURE

VNA Carries Agricultural Newsbriefs About Vietnam
(VNA, 6 Oct 86) 115

Sugarcane Planting in Ly Nhan Decreases
(Thanh Binh; HA NAM NINH, 27 Jun 86) 116

Briefs
Subsidiary Food Crops 119

HEAVY INDUSTRY AND CONSTRUCTION

Pham Khai Article on Electric Power Development
(VNA, 5 Oct 86) 120

/9987

CANADA LIBERALIZES USAGE OF AID MONEY

HK241249 Quezon City BUSINESS DAY in English 24 Sep 86 p 6

[Text] The Canadian government has liberalized its aid policy toward the Philippines, allowing more flexibility in the use and channeling of funds.

Under this new policy, Ottawa has appropriated C$100 million (US$72 million) for the Philippines to be disbursed over four to five years. This year alone, the Canadian aid program is making available C$10 million (US$7.2 million) or more.

The Philippines became a "Category 1" recipient of Canadian aid on the recommendation of External Affairs Secretary Joe Clark who visited the country last July. As a Category 1 country, Canadian aid to the Philippines can be used to promote a wide range of bilateral cooperation, including business development in the recipient country and joint ventures between the Canadian and Philippine private sectors.

Also, Canadian aid could now be coursed through the government as well as non-governmental organizations (NGO's) or private volunteer organizations (PVO's). The C$100-million will be coursed through the government and NGO's on about equal balance, according to Andre Vinette, regional program manager (Asia branch) of the Canadian International Development Agency (CIDA).

Vinette, who led a 20-man delegation which visited various parts of the country for two weeks in connection with the aid program, said they will recommend support for the Aquino government's decentralization and employment generation thrusts.

"We will recommend decentralized, short-term, high-impact community-level development. Priority for projects should not be based on sectoral concerns but projects with employment (impact)," Vinette said.

The C$100-million aid is in the form of grants and will not call for local counterpart funding, Vinette said. The mission has received some 100 project proposals during its visit here, he said.

The new aid program already includes a C$11-million (US$7.9 million) three-year "Negros Rehabilitation Fund," an immunization program and a C$1-million (US$0.72 million) fisheries project in Bayawan, Negros Oriental. The agreement on the last project was signed yesterday by Vice-President Salvador H. Laurel and Canadian Ambassador Russel Davidson.

/12858
CSO: 4200/24

TUCP, OTHERS ASSAIL GOVERNMENT ON AGRICULTURAL WORKERS

HK160103 Quezon City BUSINESS DAY in English 15 Sep 86 p 19

[Text] The Trade Union Congress of the Philippines (TUCP) has said government's avowed recognition of agricultural workers' welfare as a major area of concern is "mere rhetorics."

TUCP said its farmer members are aggrieved because "actual program implementation belies government rhetoric."

In a nationwide rally held Friday, the Federation of Free Farmers (FFF)-TUCP and the National Congress of the Farmers' Organizations (NCFO), with which TUCP has a solidarity pact and other farmers' groups, enumerated their specific grievances as follows:

The government support price for palay was reduced from P3.50 to P3.00 per kilo and for corn from P2.90 to P2.50. This is the first time since the pricing subsidy mechanism was instituted in this country that the support price is being reduced, TUCP said.

While the government claimed that the support price decrease would enable the National Food Authority to buy more grains from more farmers, hardly any funds have been released to finance the NFA's procurement operations. (Latest reports indicate that the NFA has barely P100 million procurement funds left).

In contrast, P9 billion was earlier released to prop up the losing Philippine National Bank and Development Bank of the Philippines. Another P5.2 billion was approved for the Emergency Employment Program, which aims to employ rural workers in infrastructure and other secondary production activities in rural areas.

Farmgate prices are being further depressed by the unrestricted importation of competing food products. In some areas, farmers are reportedly allowing most of their peanut crop to rot in the fields because the price of peanuts dumped into the country is less than that of pre-harvested local peanuts, the TUCP said. Land reform is at a standstill.

The much-publicized "genuine" agrarian reform cannot even take off the ground because of lack of clear-cut policies and guidelines for foreclosed lands, sequestered properties, public land reservations, lands devoted to crops other than rice and corn, etc.

The Constitutional Commission has also "constitutionalized" retention rights of landlords, just compensation at market value, and other loopholes which may lead to the eviction of as many as 80 percent of all tenants and to emancipation of only 5 percent of all peasants.

Many problems involving thousands of settlers, small fishermen and other marginal farmers remain unattended to before the offices of the Ministry of Natural Resources, the Bureau of Forest Development, the Bureau of Lands, the Ministry of Agrarian Reform, and other agencies.

In public land reservations alone, about 136,000 hectares are ready for distribution to actual settler-occupants. Yet no decisive action has yet taken by the MNR, TUCP claimed.

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CSO: 4200/24

BUSINESS DAY ON BANDILA ALLIANCE

HK240133 Quezon City BUSINESS DAY in English 23 Sep 86 pp 4, 5

["To Take A Stand" column by Emanuel V Soriano, trustee of Manindigan! [To Take A Stand!] An organization of businessmen, professionals and concerned citizens committed to take a stand on important national issue: "Bandila's Vision"]

[Text] A number of friends have asked me about Bandila [Bayan Nagkaisa sa Diwa at Layunin--Nation United in Spirit and Purpose] of which Manindigan! is one of the member organizations. I am availing myself, therefore, of this column to answer those who have asked.

Bandila is an alliance of organizations. It offers our people an alternative to the extreme left and to the extreme right. Bandila will hold its second National Congress on 11 and 12 October at the Loyola Covered Courts with about 2,000 attending from all over the country.

Ideologically, affiliated organizations tend to be in the center, left-of-center, or right-of-center. As such, Bandila is an alliance of liberal democracy (i.e., private enterprise) and social democracy (i.e., a less radical form of socialism).

Bandila adheres to a vision of society where institutions are organized to ensure and protect freedom and equality. Bandila believes that democracy, a political system where those who govern are made accountable to those governed and where the will of the majority rules, is a minimum condition for the existence of such a society. Thus, Bandila is committed to the advancement of true democracy in all areas of social life, especially political and economic.

Freedom and equality are both the goals and the standards of democracy. A democracy is only as good as the degree of freedom and equality that it makes possible. Freedom and equality are also inextricably linked--one is a necessary condition of the other even as they also impose limits on each other.

The freedom to live a life that realizes true human dignity is not possible for people who remain prisoners of lower order needs because their

environment does not offer them the means to go beyond a life of subsistence. This implies that a minimum level of economic welfare is necessary to guarantee freedom.

While society must aspire to achieve to the full both freedom and equality, this is not always possible given historical circumstances. In a society where the distribution of economic opportunities is highly unequal, Bandila believes that the freedom of individuals may have to be restricted to allow for greater equality so that the minimum level of material well-being may be enjoyed by all. On the other hand, equality must not be imposed at the cost of totalitarian rule.

Thus, Bandila believes in a democracy that is founded on freedom, equality and social justice.

Democracy is a mode of governance that provides for the maximum representation and sovereignty of the will of the majority. Political democracy is guaranteed by equal voting rights, by effective participation by each citizen in the collective decision-making processes of government, and by the enlightened understanding of the issues and problems of society.

However, effective participation and enlightened understanding are significantly curtailed in a society that is characterized by excessive inequalities through the exercise of economic and political power by the elite classes, such as what we have today. When there exist tremendous inequalities, political power is monopolized by the high-income classes because it is they who can afford to field candidates in elections; it is they who have the resources with which to reward those in government who do them favors; it is they who have the influence to pressure judicial courts to decide cases in their favor. Hence a highly unequal distribution of economic wealth invariably leads to the monopolization of political power by economic elites.

Moreover, the monopolization of political power consequently aggravates the unequal distribution of economic wealth in favor of the elites because it is the elites who determine the distribution of vital social goods provided by the state such as education, health care, roads and housing. Thus, elitist democracy can only lead to greater inequalities in opportunities and benefits.

In a society where the level of economic development is so low that the majority live in subsistence, the poor are depliticized because their interest in political representation becomes subservient to the interests of those elites on whom they depend for their survival. The poor are unable to define their own political agenda independent of their elite benefactors. Thus, they are effectively cut off from meaningful interest representation in what is supposedly a democratic system but where decision making is actually concentrated in the political elite.

Thus, Bandila believes in democratizing economic opportunities and access to social goods as a fundamental requirement of a democratic society. /Political democracy must be founded on economic democracy./ [passage within slantlines published in italics]

The immediate goal of Bandila is therefore clear. It is to advance true democracy--to bring real and effective power to the people where it rightfully belongs. It is to consolidate the democratic victory of the February Revolution by advancing genuine participative democracy, of which economic democracy is a basic constitutive element.

Hence, Bandila commits itself to the pursuit of the following goals:

A. Economic Democracy

1. The redistribution of society's resources by limiting excessive and unproductive accumulation of wealth and equalizing economic and social opportunities;

2. The provision by the state of socialized education based on an authentic Philippine culture, housing, food and healthcare to low-income citizens;

3. The institutionalization of workers' participation in decisionmaking on the plant, industry and national levels;

4. The immediate implementation of land reform in all agricultural lands and expansion of rural employment;

5. The democratization of control and ownership of all forms of media;

6. Self-determination and assertion of the primacy of national and people's interest in economic planning and financial management.

B. Participative Democracy

1. Assertion of national sovereignty in all areas of political decisionmaking;

2. Building of people's organizations to effectively participate in parliamentary and extra-parliamentary political processes;

3. Strengthening of popular movements, especially of workers, farmers and urban poor through continuing political education, protection of the right to organize and to strike and the institution of mechanisms for interest representation in government bodies;

4. Advocacy and building of a multi-party system that encourages a healthy plurality of political visions and options.

Bandila is committed to this realization of this vision through militant but peaceful and non-violent means.

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CSO: 4200/24

KMU HEAD CONDEMNS NEW STRIKE GUIDELINES

HK261356 Manila THE MANILA CHRONICLE in English 26 Sep 86 p 2

[Text] Kilusang Mayo Uno [1 May Movement] (KMU) Chairman Rolando Olalia yesterday said provisions in the guidelines in industrial relations which either amended, modified or expanded President Aquino's Labor Day pronouncements were objectionable and contrary to the President's pronouncements.

The 50-point guidelines, signed by Labor Minister Augusto S. Sanchez last 18 September, become effective 15 days after publication in at least two newspapers of general circulation.

Olalia said Rule 27, providing for the free entry to and exit from company premises by non-striking employees and company officials, decreases the effectiveness of strikes. He said the guidelines contain amendments to Batas Pambansa [National Law] 130, the strike law; and Batas Pambansa 227, the anti-scab law.

President Aquino announced last 1 May that any amendment to these laws should be discussed and agreed upon in a tripartite forum, he said. The amendments were not taken up in a tripartite forum, he added. Olalia also cited two contradictory provisions in the guidelines. These were: Rule 48, repealing Letter of Instruction 1458 which allowed management to replace striking workers who defy return-to-work orders; and Rule 37, empowering the labor minister to authorize the replacement of defiant workers.

Rule 20, providing for a return-to-work voting every 15 days, and Rule 21, requiring the Labor Ministry to supervise the conduct of secret balloting in strike voting, are also objectionable, said Olalia. These rules, he said, "constitute an interference in the free exercise of the workers' right to self-organization."

Olalia said the KMU will come out shortly with a more comprehensive position paper on the guidelines. Olalia stressed that the KMU position was that an executive order, embodying all the 1 May pronouncements, should first be issued by the President before the guidelines can be implemented.

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CSO: 4200/24

OUSTED T'BOLI MAYOR, 900 MEN PLEDGE ALLEGIANCE

HK161100 Manila THE MANILA TIMES in English 16 Sep 86 p 16

[Text] Ousted T'boli Mayor Mai Tuan and an estimated 900 of his followers have pledged allegiance to the Aquino government, it was learned by THE MANILA TIMES yesterday.

Tuan also led a number of his men to surrender their firearms to the military.

The significant breakthrough was made during a peace and order dialogue conducted by First Brigade, 12th Army Brigade Commander Col Orlando Soriano between Tuan and Mayor-Designate Concordio Susarno. In the dialogue, Tuan urged his followers and Christians living in T'boli town to stop hurting each other. He also asked the T'boli constitutents to support the new government.

It will be recalled that Tuan together with his followers had taken to the hills to protest his ouster as mayor of T'boli, a position he had held for 13 years. While in his mountain lair, the T'boli chieftain organized an army and threatened to wage war against the government if the latter invaded his domain.

As a gesture of his sincerity, Tuan gave his .45 caliber pistol to Susarno.

Soriano said some 900 followers of Tuan have registered their firearms with the military.

Tuan and Susarno also assured authorities of their cooperation for the interest of both natives and Christians in the area.

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CSO: 4200/24

LOYALISTS FORM GROUP TO MONITOR GOVERNMENT

HK231331 Manila THE MANILA EVENING POST in English 22 Sep 86 p 1

[By Rene Caparas]

[Excerpt] The Constitutional Republican Alliance (CONTRA) yesterday exposed subversive groups enlisting young men from age 19 to 21 to join a private army in Metro Manila, as it announced the creation of a special action group to monitor the activities of President Aquino's advisers and local government appointees suspected of being card-bearing communists or sympathizers.

This was announced today by CONTRA Secretary General Jose Paculdo following a meeting yesterday of CONTRA leaders who decided to organize the staff of communist's rule of advisers in Malacnang (SCRAM).

Paculdo said the advisers of Aquino are responsible for the move to encourage the growth of communism, such that communist leaders now really go about recruiting new members, raising funds, and organizing from organizations in the student, labor and religious sectors.

"More than at any time in the past, our soldiers are being slaughtered openly in ambuscades and raids under cover of Aquino's peace initiatives," Paculdo said.

About 15,000 Marcos "loyalists" yesterday braved the heavy rain to hold a prayer rally in a vacant lot in front of Gate No 1 in Fort Bonifacio, Makati, to protest the Aquino government's "soft" policy on the communists.

The rallyists, mostly joined by families of slain soldiers, came from Cainta Rizal, Bateros, Pasay City, Navotas, Tondo, and various areas in Metro Manila. They included farmers, workers, employees, students, soldiers, and even businessmen.

Some contingents arrived marching, while others came in jeeps, wearing Marcos-Tolentino T-shirts and carrying banners, flags, and photographs of the former president.

Others came in blue T-shirts marked: "Demokratikong Bagong Philipino (DBP) [New Democratic Philippines]." A group was seen carrying a statue of the Sto. nino [Christ child].

Traffic was heavy as vehicles inched their way on Epifanio de los Santos (EDSA) going to Pateros, passing Gate No 1 of Fort Bonifacio.

The prayer rally, called "Saklolong Bayan," [nations salvation] was meant to call the attention of the military to the danger posed by the communist threats with hundreds of soldiers being killed by the rebels since Aquino took over the presidency last 25 February.

One rallyist claimed that since February, more than 4,000 government soldiers have already been killed by the New People's Army (NPA), the fighting arm of the Communist Party of the Philippines (CPP).

Application forms for the "Saklolong Bayan" movement were passed around and signed by those willing to support the anti-communist group.

Anti-communist placards surrounded the rally site. One read: "Democracy-Yes; Communism-No."

The rallyists, composed of men, women, and children, gathered in the muddy lot. But no one moved an inch as people listened to former Manila Councilor Chito Lucero, lawyer Domingo San Joaquin and Oliver Lozano, priests, and nuns assail the government.

Rally marshals helped the police direct the traffic. Others put up tents out of old parachutes. Those who came from far places brought lunch boxes, while others with kitchen utensils cooked their Sunday lunch, just like a family picnic.

Despite the bad weather, the prayer rally went on until 6 pm when the people peacefully dispersed.

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CSO: 4200/24

46 MILITARY OFFICERS TO BE TRIED FOR GRAFT

HK150641 Quezon City NEW DAY in English 15 Sep 86 p 16

[By Joel D. Lacsamana]

[Text] Forty-six military officers, 31 of them generals (five active and 26 retired) have been placed in the "hold-order" list and their assets frozen by the New Armed Forces Anti-Graft and Corrupt Practices Board (NAGB), on suspicion of having accumulated hidden wealth.

This, however, could only be the tip of the iceberg as the NAGB revealed Friday that it is currently sifting through 242 reports of various anomalies and alleged corrupt practices which include 377 names, 297 of which are of military personnel, 15 members of the Integrated National Police (INP), and 65 civilians.

Retired Brig Gen Manuel Flores, chairman of the NAGB, however, declined to divulge the names at least of the 46 colonels and generals in the list for fear of counteraction suits as well as prejudicing the officers involved.

When confronted with the list of 46 officers leaked to the media last week, Flores declined to comment, explaining that the board "merely wants to protect the ranks and prestige of the officers as well as the respective units they belong to."

"We cannot disgrace the ranks of these officers until they are convicted in the proper court of law," Flores said.

In a press conference Friday in Camp Aguinaldo--the NAGB's second since it was convened last 14 May--the board also admitted that it had only two to four cases "which are on the verge of being ready for prosecution."

An NAGB member, Brig Gen Luis Villareal, who is also the current director-general of the National Intelligence Coordinating Authority (NICA), explained that data-gathering on the cases takes up much of the board's time. He added that there are cases "which can already stand trial but have been deferred for want of more specifications."

"The process of gathering documentary evidence--list of real properties acquired, tax declarations and receipts, deeds of sale, income tax returns, financial analysis, cash-in-hand, total cash receipts from all incomes reported, bank deposits, investments, vehicles, appliances, jewelry, etc.--takes a lot of time," Villareal noted. "Once we have collected all this data, however, we can analyze quite effectively the difference from the actual cash disbursement and actual income. The disparity becomes very clear between the income disclosed by the respondent as against his true income," he said.

Villareal then showed newsmen a typical chart prepared by the board's investigative teams to show the variance between what an officer actually makes as against what he reports to be making. "The blue line in this chart shows the years of this particular officer's career (promotions, salary adjustments, various legal emoluments, etc.) which add up to his total cash disbursement for all those years. Now, the disparity between those two lines--it could range from P200,000 to P5 million--represents the hidden wealth he has accumulated through the years."

"Once we identify this disparity--we enumerate to the respondent the financial inconsistencies we have discovered and we ask him to explain this within 15 days after which, a hearing is scheduled," Villareal said.

/12858
CSO: 4200/24

MILITARY RESPONSE TO INDISCIPLINE 'REASSURING'

HK161303 Manila THE MANILA CHRONICLE in English 16 Sep 86 p 4

[Editorial: "The Positive Is Emerging From AFP"]

[Text] A series of incidents which were given ample media coverage the past two weeks focused unrelentingly on the military establishment. In particular the incidents pinpointed two aspects of our armed forces.

The sad part is that in nearly all of them, members of the Armed Forces were involved, not only by implication but as central sectors, as aggressors.

In the torture and death of a witness in an aborted smuggling case in Pampanga, responsibility was directly laid before the military establishment itself. The fact that the interrogators were members of the military and that the victim was brought directly from the interrogation room to the hospital, purportedly, because of a stroke, brings us back to the days of the dictatorship when witnesses and suspects could be arrested without court orders and then killed on the allegation that they challenged arresting authority or tried to escape.

The same is true of the incident in Negros Oriental, where a provincial commander allegedly smashed a tape recorder on the face of a human rights investigator.

Something familiar is also recalled by the action of the storm troopers and members of the Philippine Air Force who raided a police outpost to rescue a "comrade" being held by the police.

All these were common actions of members of the Armed Forces during the reign of the dictator and when the Armed Forces was under the control of Gen Fabian Ver.

The reassuring part in this series of incidents is that, unlike in the days of the dictator, the military command seems to be taking positive action on all of them.

This military response--which we hope will continue--reflects the concern of the civilian government and of the people in general in recognizing

the need to take stern measures to impose discipline, restore public order, and ensure the safety of the people, through an abiding concern for the rule of law.

The measures taken by Lt Col Reynaldo Berroya of the Pampanga provincial command, Gen Renato de Villa, Gen Fidel V. Ramos, and, in the case of the raids on the police outpost, Gen Ramon Farolan and Gen Montano indicate that what used to be a conspiracy of silence on the wrong-doings of members of the AFP [Armed Forces of the Philippines] is now giving way to a more unified view in redirecting the Armed Forces to the services of the general public.

In previous statements endorsing these actions, we also expressed the hope that what the military command has done so far will become the consistent norm of conduct for the entire AFP.

We are certain that this will be the case. For aside from those who have taken a major step forward in the direction of positive action, there are still others in the military with the same sense of decency, professionalism and concern for the public good.

/12858
CSO: 4200/24

MANILA PAPER ON NPA'S 'AGRARIAN REVOLUTION'

HK251527 Manila FILIPINO TIMES in English 12-18 Sep pp 2, 8

[By Jo Clemente]

[Text] The Filipino peasants' struggle for land goes back to the late Spanish period. This struggle has taken different forms, including armed revolt. It was in fact agrarian unrest that propelled the formation of armed movements like the Hukbong Mapagpalaya ng Bayan (HMB--People's Liberation Army) in the 1940's, and the New People's Army (NPA) in the late 60's.

Filipino peasants are still trying to reform agriculture. However, while some slug it out through legal procedures, coursing their demands through Government channels including the Constitutional Commission, others have taken more drastic steps by implementing their own land reform program.

An emerging alternative to ease the burden of the Filipino farmer is the Agrarian Revolution being waged by the peasant-supported underground movement. The spread of Agrarian Revolution in the countryside indeed forms one of the bases for the growing influence of the Communist Party of the Philippines [CPP] and its military component, the New People's Army.

Somewhere in Central Luzon, the rice granary of the country, for instance, all 300 hectares of agricultural land in one barangay have already been redistributed to the farmers. The smallest parcel of land a family has received is two hectares while the biggest is four. The are involved was once part of three estates separately owned by powerful people in the locality.

The Agrarian Revolution, according to a community elder, started in the early 70's. "The prevailing relationship between us and the landlords then was too much to bear. We were producing food, but we didn't have food", he said.

A certain Ka [Comrade] Salvi, a CPP-NPA political officer in the area, narrates that what has so far been achieved by the Agrarian Revolution in the area is only the first stage--strengthening the hold of the farmer on the land. By this, he explained, is meant that a farmer can plant what he wants to plant and how to plant it and then market the produce.

Comparing the situation then and now, one of the farmers said that in the past, the landlord dictated all these, advanced the inputs necessary including rent on additional farm animals which he owned, and deducted these costs from the harvested palay at usurious rates of interest. "Whatever was left for our use, we were even obliged to sell to the landlord at his price," he continued.

The landlords in the area were convinced into dividing their estates through a two-step process, says the political officer. "The farmer had a dialogue with the landlord through the peasant organization with our support. First, we send a letter, urging the landlord to agree to the redistribution. If nothing comes out of it, a representative of the Party or the NPA is sent," said the political officer.

But Ka Salvi is careful to note that the farmers' organization is not attached to the CPP or the NPA. The farmers, he said, "may be influenced by us, but are not NPA's themselves."

In this particular case, continued Ka Salvi, the landlord was obliged to switch from the "Partihan" (sharing) system to the "Buwisan" [Imposition of tax], where the farmers pay the landlord a regular rent of 9 cavans of palay per hectare for the first crop and 6 cavans for the second crop.

However, Ka Salvi noted that one landlord tried to convert his estate into a sugar plantation, which the farmers resisted. The resistance in turn brought paramilitary units and military men to the area who tried to encamp in the fields.

In cases like this, says Ka Salvi, the NPA will protect the gains of the peasant masses, by military means if necessary.

One landlord in the area owned some 44 hectares once planted to sugar cane. These 44 hectares are now part of the Agrarian Revolution and have been converted into ricefields.

In the past, says Ka Salvi, the landlord hired farmworkers to do the work. In the mid 70's, these workers formed a union and asked the landlord to distribute the land to them, while they in return would pay the rent at 4 cavans of rice per hectare per harvest. The landlord turned them down and the farmworkers went on strike. As it was the harvest season, the landlord contracted a group of military men to do the harvesting and to prepare the land for the next planting. But the farmers resisted these efforts, with two of them getting killed in the ensuing confrontation. The resistance, and the presence of an NPA squad in the area, shooed the military away and the estate was pracelled out to the farmworkers.

Foremost among the criteria used to determine who would benefit from the land distribution was the farmer's participation in the struggle and the degree of magnitude of his family's need.

Although land has been distributed to the farmers in the area, the farmers still face marketing problems as well as the rising costs of inputs. Initial attempts at forming cooperatives were quashed by the military. Six carabaos (water buffalo) the coop had bought were killed, some say, by military elements.

According to the farmers, the military claimed that the cooperative had been established to finance NPA operations.

Ka Salvi, on the other hand, says that the NPA does not tax small farmers. "What is given us is voluntary. Most farmers recognize the need to sustain the movement which protects the gains they have already achieved."

Elsewhere in the northwestern portion of the region, the Agrarian Revolution has spread to workers in the salt industry.

In those areas influenced by the CPP-NPA, rents on salt beds or "arcabala" have gradually changed from the traditional 5:1 ratio to 6:1, then to 8:1 and finally, 10:1. This means that for every 10 sacks of salt harvested by the salt farmer, one sack goes to the owner of the land. This is only true, however, in the "tabag" system where salt extraction is done through cooking.

In the "bararaan", a system where salt extraction is done through sundrying, the traditional 1/3 share of the overseer in the net produce has been increased to one half.

Rent on rice threshers has also been reduced, from a ratio of 1:13 to 1:17, which means that for every 17 cavans of rice threshed, one goes to the thresher owner as rent.

The wages of agricultural workers have also been increased from p15/day to p35.

A look at the general program of the Agrarian Revolution printed in the latest issue of the underground publication Himagsik (Revolution) reveals that so far, what has been achieved by the program are only its minimum objectives. The maximum, which is the actual redistribution of land to the tillers at no cost, and the implementation of various forms of assistance in production, like credit facilities through the cooperatives system, is still far from being achieved.

Agriculture workers in sugar central are also part of the revolutionary agrarian program. These workers are encouraged to assert their right to form labor unions and to demand from management correct information on the financial status of the business. Agricultural workers in sugar estates under this program must be given a small parcel of land for planting.

/12858
CSO: 4200/24

MINISTER SAYS NPA ACTIVE IN RESETTLEMENT SITES

HK251343 Manila THE MANILA TIMES in English 25 Sep 86 pp 1, 2

[Text] Another top government official yesterday confirmed reports that communist rebels have expanded their activities to include resettlement sites.

Agrarian Reform Minister Heherson Alvarez said he received reports that communist rebels had attacked government-administrated resettlement areas and forcibly seized the ministry's expensive survey equipment. Alvarez said attacked were the Imelda Resettlement area in Southern Leyte and a resettlement area in Region 9 (Western Mindanao).

In the Imelda Resettlement area attack, Alvarez said, a surveyor of the Ministry of Agrarian Reform (MAR) was abducted but was later released. The rebels seized expensive survey equipment, mostly transit tools which can be used as binoculars, in both areas.

Alvarez admitted that communist rebels have been secretly deployed in the resettlement sites of the MAR. But their activities, he said, are not alarming because the militant groups have not physically harmed or harassed settlers of the resettlement sites.

Alvarez made the revelation even as he strongly rejected the clamor of his colleagues in the Cabinet that a deadline should be set on the current peace talks.

He also urged the government to be more patient in solving the 17-year insurgency problem. He said "there should be no deadline for peace."

Alvarez, however, batted for the declaration of ceasefire, saying "If our Muslim brothers could effect a ceasefire in their region and negotiate for the full achievement of this goal, I see no reason why the same should not exist in the National Democratic Front (NDF)." He said the rebels should not disappoint the people nor the government.

Alvarez also criticized the rebel groups for not reciprocating the accommodation given by the Aquino government by declaring a defensive posture in resolving the insurgency problem. Earlier, Natural Resources

Minister Ernesto Maceda had reported that rebel attacks have escalated affecting workers in the government's reforestation projects, gold panners and loggers.

Maceda has proposed the imposition of ceasefire and the setting of a deadline on the ongoing peace talks.

/12858
CSO: 4200/24

COLUMNIST ON GOVERNMENT SERIOUSNESS IN PEACE TALKS

HK161125 Quezon City BUSINESS DAY in English 16 Sep 86 p 4

["My Cup of Tea" column by Ninez Cacho-Olivares: "In All Seriousness?"]

[Text] First, President Aquino flies off to Jolo to meet up with Moro National Liberation Front's Nur Misuari to seal a temporary truce. Then she flies off to Mt Data to seal another pact with Conrado Balweg, the Cordillera People's Liberation Army [CPLA] leader. In between, her emissaries press the NDF [National Democratic Front]-CPP [Communist Party of the Philippines]-NPA negotiators to agree to an immediate 30-day ceasefire. Government negotiators were quoted by the press as saying the President wanted something "final and categorical" before her departure. Furthermore, she was said to have been willing to talk personally with the NDF emissaries. Why was there that sense of urgency on the part of the government to seal a "peace pact" with the insurgents? Coundn't all these have waited until after the return of President Aquino from her official U.S. visit? But had these "peace talks" been put on hold, what could Mrs Aquino have pointed out to the Reagan administration as her achievements in the area of insurgency-related problems?

Were these "peace pacts" all for show? Were all these peace agreements, or "cessations of hostilities," if one prefers to use that term, entered into by the Preisdent and two rebel leaders geared solely to achieve the "right" publicity for the President?

Her meetings with Misuari and Balweg were certainly media successes. And it appeared that some of Mrs Aquino's Cabinet ministers did not even feel outraged that they had been subjected to a body search by Muslim guerrillas. I suppose some of them thought that this was what trust and sincerity were all about.

But was it an achievement to really crow about? It is said that Misuari's MNLF is only 5,000 strong. There are other Muslim factions that do not recognize Nur Misuari as the leader. How then can peace be achieved in Mindanao if the Muslim group continue to look up to a different leader? What use is it to the people in Mindanao if the "cessation of hostilities" agreement is not honored by other Muslim groups? On the other hand, what great need was there for Mrs Aquino and the Nur Misuari faction to agree on

a cessation of hostilities? Wasn't there already another peace pact in existence? It certainly smacks of a palabas [show].

In the case of the CPLA under the leadership of Conrado Balweg, it is said that his guerrilla army is only 125 strong. Balweg may have struck a peace pact with the Aquino government, but since he does not have any control over the Cordillera NPA's, how does peace come about in that area? Surely, the government cannot be that naive.

But what really disturbed me was the report that the government emissaries were pressing the NDF to agree to an immediate ceasefire. Why the rush? If the government truly wanted to have a genuine and lasting peace agreement with the communist guerrillas, surely an immediate ceasefire proposal was not the way to do it. Or does the Aquino government think that a ceasefire with the communists can be achieved without any of their conditions being met?

In a press conference held in a private hom, the NDF emissaries, Satur Ocampo and Antonio Zumel, said that government failed to act on their month-long pending proposals over safety measures governing the talks in order for negotiations to proceed to more "substantive" issues. They also proposed four measures they considered necessary for government to implement for the fighting to stop. The four proposals are a) the removal of the AFP [Armed Forces of the Philippines] detachments and checkpoints in certain areas; b) the dismantling of the Civilian Home Defense Forces [CHDF]; c) the disarming of private armies, warlords of fanatical groups and d) the return of control over the police forces to the local government authorities.

Are the communist demands preposterous? Not too long ago, concerned Filipinos who were not allied with the communist forces demanded the dismantling of the CHDF, the disarming of warlords and their private armies and the return of control over the police forces to the local government authorities. During the Marcos regime, these were demands that Marcos refused to meet. Maintaining and retaining the warlords, the CHDF and a centralized military-police force worked to his advantage. But many thought that under the Aquino government, all this would change. The Aquino government may not agree to the first proposed measure, but it should find no difficulty in agreeing to the last three measures. After all, it did promise to initiate reforms.

I am almost certain that if the dialogs between government and the NDF continue, even the first measure can be watered down a bit if the other three are agreed upon. What is important is for both sides to be able to communicate with each other and to hold peace talks, not for publicity purposes or image-building, but for more serious reasons.

It is unfortunate that the Aquino government, perhaps in its desire to present the Reagan administration with "concrete proof" of success in ceasefire talks with communist rebels, had to press for an immediate ceasefire agreement. Peace pacts forged hastily hardly work. But perhaps the government's intention is not to achieve lasting peace with the insurgents. Maybe it just wants to buy time.

/12858
CSO: 4200/24

INDUSTRIALIST ON NPA, OTHER PROBLEMS FOR BUSINESS

HK251505 Quezon City BUSINESS DAY in English 25 Sep 86 p 25

[By reporter Mar Victoria Gochoco-Perez]

[Text] Businessmen are worrying increasingly about the peace and order situation in the countryside which makes it extremely difficult for industries to achieve cost-efficiency.

Ernesto B. Rufino Jr, businessman-industrialist, decries a new expense that has to be borne by business to be able to survive: the "private army" expense.

Rufino said this expense is "unique" to business, particularly in the countryside. He said government would do well to "focus" on the peace and order situation as it is "more crucial" to the economy than even the "centralized economy" now being espoused by some vocal economists.

Rufino has had brushes with the communist New People's Army in Bataan--considered the 'hotbed' of NPA activities in Central Luzon--where he runs a paper mill. The NPA rebels have been asking him for taxes, but his firm did not oblige, Rufino said. The result, however, has been death to some of the factory employees.

"The NPA has kidnapped two of my security guards," he said. "They blew up my purchasing manager in the middle of last year. I have had to have the fence around the factory moved back from a hundred yeards away to six feet from the factory. If I have to employ a hundred security guards, I might as well close the plant."

The businessman asserted that the communists are now virtually in all phases of the country's work life. In Laguna there is a factory where the workers on strike are attending "teach-ins," he pointed out. "Right in this hall," he said, referring to the audience of about 100 men and women who had come to attend the cause-oriented group Teresa Makabayan [expansion unknown] forum, "there must be at least six (communists)." Rufino said the situation is such that the problem needs urgent tackling by government.

Before this problem, business just complained about the "unduly high production cost" brought about by factors over which it has no control. Among these were power and fuel, high interest rates and "oppressive taxes that the past administration has saddled on the entire industrial spectrum and the general consuming public," Pulp & Paper Manufacturers Association, Inc President Francisco P. Monge said last May. These factors make it difficult for local industries to compete with foreign imports, he said.

And Meneleo Carlos Jr, president of Resins, Inc has cited the low capacity utilization of industries at present at about 40 percent to 50 percent as pushing up overhead costs on a per unit of volume produced basis.

"When the economy is at such a depressed rate of growth, overhead of companies is fantastically high that there is no sane way to protect industries except for quantitative restrictions," Carlos said.

Rufino's "private army expense" may yet be included in the updated list of problems besetting business in the country from now on.

/12858
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EDITORIAL STRESSES NEED TO CONTINUE PEACE OFFENSIVE

HK261424 Manila THE MANILA CHRONICLE in English 26 Sep 86 p 4

[Editorial: "The Meat of Cory's Peace Offensive"]

[Text] From the statements Defense Minister Juan Ponce Enrile's been practically screaming recently and from reports on the sentiments of unnamed cabinet ministers, there appears to be a perceptible drift in the feeling of the Aquino Government toward unleashing the full might of the military against the New People's Army.

Perhaps Enrile and the hawks in the Aquino Government have misinterpreted the President's statement in the United States--that if peace efforts fall, she would not hesitate "to draw the sword"--as a call to arms.

Such misinterpretation is unfortunate. For a seven-month-old Government which claims to uphold peace and national reconciliation as one of its highest values, nothing could be more wrong than to give up peace efforts at this time with the 16-year-old insurgent movement.

Several points must be emphasized with regard to the NPA problem:

First, full blast peace efforts have not really been undertaken. Strangely, Government has made no move to undertake high-level talks with the NPA--perhaps a meeting between President Aquino and either the NPA commander or the Communist Party chairman--the way it has done with the Moro National Liberation Front [MNLF] and the Balweg rebels.

Second, while the NPA has been accused of continuing attacks against the New Armed Forces of the Philippines, the problem appears to be two-way. The military, for example, clearly was partly to blame for the Davao encounters as elite Ranger troops were then tracking down the NPA leaders who had just signed a regional ceasefire agreement. In sharp contrast, the military has carefully avoided any skirmish with the MNLF for several years now. This is apparently a Marcos-Enrile decision resulting from the lesson learned in the early-1970 Muslim campaign that a full-blown war with the Muslims cold bleed the army and the national budget dry.

Third, with Defense Minister Enrile and the top generals of the military issuing statements almost daily that the peace talks are futile--again, something they did not do in the case of the MNLF and the Balweg rebels--the insurgents themselves cannot be blamed for doubting either the sincerity or the capability of the present administration to undertake peace talks.

It would be a terrible miscalculation, however, to believe that the CPP [Communist Party of the Philippines]/NPA are not really interested in peace talks. With their years of political experience, they are not so stupid as to believe that they can seize power at this time, when the Cory Government is at the height of its popular support and when the military has started to minimize the organizational corruption that had rendered it weak against the rebels.

The virtual alternative would be a bloody city-against-countryside war. That the Aquino Government would undoubtedly win but it would smear crimson Cory's yellow banners.

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CSO: 4200/24

NUR MISUARI REASSURES MINDANAO CHRISTIANS

HK260429 Quezon City ANG PAHAYAGANG MALAYA in English 25 Sep 86 p 2

[By Manuel Del Carmen]

[Text] Zamboanga City--Moro National Liberation Front Chairman Nur Misuari assured the Christian populace here they will not be driven away from Mindanao once the MNLF's demand for independence is granted by the Philippine Government.

At the same time, Misuari clarified that the provisional government he has instructed the people to set up is in preparation for the peace negotiation with the government.

Misuari issued the statement yesterday in the wake of reports that Christians were arming themselves in anticipation of an armed confrontation with the MNLF, who are reportedly asking non-Muslims to leave the area. "We are not going to fight the Christians," the MNLF chieftain said, "especially the Christians in Mindanao."

"What the MNLF is doing is for the good of everyone--Muslims, Christians and all the indigenous people of Mindanao," Misuari said in his statement. "We speak peace and freedom, and we are protecting the rights of everybody," Misuari said, adding "that the people in the South have been neglected for so long and deprived of due recognition as a part of the national heritage."

There is no cause for the Christians to be apprehensive Misuari said. He pointed out that several Christian groups have expressed support for the ongoing peace process among whom are Reuben Canoy of the Mindanao Independence Movement, former MP Homobono Adaza, and other leaders of the ethnic Subanons and other tribes in the region.

Executive Director Joseph Banghulod, of the Bureau of National Minorities informed MALAYA that the four million non-Muslim minorities in Mindanao are supporting the MNLF move for self-rule.

Banghulod said a three-day meeting of all non-Muslim tribes in Mindanao will be held in Davao City starting 26 September under the auspices of the Mindanao Highlanders Association.

/12858
CSO: 4200/24

ECONOMIC MINISTER CONFIDENT OF POSITIVE GROWTH

HK160223 Quezon City BUSINESS DAY in English 15 Sep 86 p 2

[Text] The National Economic and Development Authority (NEDA) has scaled down its economic growth projection for this year from 1.4 percent to 0.9 percent or 1 percent.

Economic Planning Minister Solita C. Monsod said last Friday that the delay in the government pump priming program for this year has made the earlier growth projection unattainable.

She said however, there are indications in the economy that a recovery is taking place. She cited the positive growth in the manufacturing sector based on latest government estimates available. These movements, she said, are encouraging signs that indicate the recession has perhaps hit bottom and the economy is now ready for an up turn.

Monsod said the government pump priming program is now behind schedule by about five weeks and even if disbursements are stepped up for the remainder of the year, the adverse impact of the delay on the country's growth projection for this year cannot be corrected.

Among the factors that led to the delay in the government program, Monsod cited the tax reform program which covers a total of 29 tax measures whose approval and subsequent implementation took too long, leaving the government with not enough money to finance vital projects, particularly in the countryside.

Included in the 1986 tax reform program are the imposition of uniform tax rates for individuals and corporations, simplification of the sales tax structure, removal of export taxes except on logs and the slapping of a minimum 10 percent duty on all imports.

A second factor for the delay cited by Monsod was the drafting of a disbursement mechanism by the government for this year which will ensure that whatever funds are released will actually go to the target projects in the rural areas. This safeguard was actually part of an agreement reached with the World Bank as a condition for the $300-million economic recovery loan.

Bank documents made available to BUSINESS DAY showed that the World Bank considers government public expenditure as "high priority." NEDA was thus required to develop "a public investment monitoring program that would provide, on a quarterly basis, information on the level of both expenditure and physical accomplishment."

During the first half of the year, the country's total production of goods and services or its gross national product (GNP) went down by 2.23 percent compared to the year-ago level.

The first semester performance showed that agriculture grew by 1.33 percent and that although manufacturing dropped by 1.77 percent during the period, a 1 percent growth was registered in the second quarter.

While the government had to revise the projection downward, Monsod said there will definitely be a positive growth this year, unlike in the last two years when the economy suffered a downturn.

The overall public investment program for 1986 is estimated to be about P31.4 billion or 5 percent of GNP. This marks an increase from 3.5 percent of GNP attained in 1985.

In addition, the national government has set aside a total of P3.9 billion to fund an emergency employment and development program.

The public investment and the employment program form the core of the pump priming plan of the government for this year.

/12858
CSO: 4200/24

DRAFT ECONOMIC DEVELOPMENT PLAN READY IN SEPTEMBER

HK161115 Quezon City BUSINESS DAY in English 16 Sep 86 p 2

[Text] The government is set to complete the first draft of the medium-term economic development plan covering the period 1987 to 1992.

Economic Planning Minister Solita C. Monsod told BUSINESS DAY that the formulation of the development plan is proceeding according to schedule and a draft should be ready before the month is over. The medium-term plan is expected to be finalized by October 1986.

The plan will contain the development goals and objectives of the government, the policies and strategies to be pursued to achieve these targets, and a descriptive list of ongoing and new developments programs and projects to implement the plan with benefits and costs estimates as well as sources of financing and a timetable of implementation.

The "Policy Agenda for People-Powered Development," which was approved by the Cabinet in principle on 4 June, is being used as the basis for all policies contained in the plan.

Based on the preliminary draft of the development plan made available to BUSINESS DAY, the focus of the Philippine economic program will be the generation of employment, the alleviation of mass poverty and the provision of a more just and equitable sharing of the fruits of development.

The key to the attainment of these goals will be rural development since this is one main area where the government believes attention should be devoted to ease mass poverty in an agricultural country like the Philippines.

Priority will be given on labor-intensive, rural-based and small-scale activities to generate employment opportunities and increase the real income of the people in these sectors.

Although it is likely to play a major role in the recovery process, at least for the moment, the government will in the medium term limit its economic activities to allow private business to become the prime engine of growth.

The government has put emphasis on uplifting the economic well being of the greater bulk of the population primarily because the last two years of economic retardation saw a massive reduction in people's real incomes.

The lack of real income for the masses is reflected very clearly today in the very weak market demand for goods produced by the manufacturing and the industrial sectors.

As a result, business activity has slowed down substantially and many firms are now feeling the pinch of the continued lack of demand in the market.

In turn, the weak business activity has softened the demand for credit from financial institutions. Banks today, in spite of the low lending rates prevailing, are awash with cash due to the lack of borrowers.

The Central Bank [CB] has been pursuing a credit relaxation program for the last several months that has resulted in a sharp drop in interest rates from the formerly astronomically high levels which prevailed in the last two years. However, the CB program has had little effect on stimulating demand for funds.

In view of this, the government decided to pump prime the market, at least over the next 18 months, to hopefully stimulate demand and start the momentum toward recovery.

The country's economic managers are hoping that the government's pump priming efforts will result in a return to at least a 1 percent growth for this year and a 6 percent rise next year.

/12858
CSO: 4200/24

MINISTER NOTES IMPROVED INDUSTRIAL, EXPORT PERFORMANCE

BK170115 Manila PNA in English 0050 GMT 17 Sep 86

[Text] Manila, 17 Sept (OANA/PNA)--Industrial business activities and export shipments are perking up, according to a joint survey conducted by the Ministry of Trade and Industry and the Philippine Chamber of Commerce and Industry (PCCI).

Based on the survey results, signs of recovery were particularly observed [in] industrial sectors oriented towards the local market.

The survey said that 13 out of the 15 domestic-oriented sectors reported increases in sales volumes in June while 4 out of 6 export-oriented sectors showed increased export shipments during the same period.

Trade and Industry Minister Jose S. Concepcion, Jr. said this was the biggest number of domestic-oriented industries reported in any one month during the first six months of the year.

Among the industrial sectors, the packaging materials industry exhibited the highest rate of annual growth with sales volume increasing by 100 percent from June 1985 to June 1986.

Ranking second is the cement sector which posted a growth rate of 77 percent during the period. The marine industry ranked third with a volume increase of 65 percent.

The other sectors which registered growths are plastic-based-55 percent, engineering and metalworking-21 percent, chemicals and petrochemicals-20 percent, consumer non-durables-17 percent, consumer durables-11 percent, construction materials-eight percent, food processing-three percent and iron and steel-seven percent.

The survey, on the other hand, is that the automotive and textile sectors suffered decline in sales volumes of 11 percent and nine percent, respectively. [sentence as received]

In the field of exports, the survey noted that the electronics sector, after a moribund performance in several months, has finally perked up in June.

Concepcion said that the 15 electronics companies that participated in the joint survey indicated improved export performance with a growth in shipments of 46 percent between June 1985 and June 1986.

Other sectors which posted increased export shipments are garments-34 percent, furniture and wood-based sector-30 percent and mining and smelting-21 percent.

On the other hand, sectors which experienced [a] drop in export shipments are the agro-based sector-seven percent and footwear industry-10 percent.

/12858
CSO: 4200/24

NATIONAL DEVELOPMENT COMPANY TO SELL SHARES

HK160758 Hong Kong AFP in English 0739 GMT 16 Sep 86

[Text] Manila, 16 Sept (AFP)--The government's National Development Company (NDC) is divesting itself of $1.67 billion in shares in 30 companies, Trade Ministry spokesmen said here Tuesday.

Trade Minister Jose Concepcion had said Monday that the companies due for disposal were doing well financially and should command a good price, adding that 81 private groups had already offered to acquire them, the spokesmen said.

The spokesmen gave no details of the groups.

Among the firms up for sale are the Philippine Associated Smelting and Refining Corporation (Pasar), which runs the country's only copper smelter plant, and the National Steel Corporation (NSC).

Trade Ministry spokesmen said that while, on the whole, most of the companies were doing well, some of them "are not really that good." Some of the companies concerned were taken over by the government of former president Ferdinand Marcos when their owners failed to repay loans to government financial institutions.

The NDC's first major divestment was in July, when it converted a $16 million loan from the American Express Bank Ltd. into equity in Manila's International Corporate Bank. The NDC had previously taken over the bank due to its financial difficulties.

The government of President Corazon Aquino, installed in February, has begun a program of privatizing government-owned companies to trim the budget deficit and promote bureaucratic efficiency.

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CSO: 4200/24

CB BILLS' ISSUANCE CAUSES RESERVE MONEY DECLINE

HK161203 Quezon City BUSINESS DAY in English 16 Sep 86 p 2

[By Reporter Daniel C. Yu]

[Text] The Central Bank [CB] was forced once more to issue CB bills, also popularly known as "Jobo" bills (after CB Governor Jose B. Fernandez), in the last week of August despite its commitment to the International Monetary Fund (IMF) to limit such issuances.

This has resulted in unusual swings in the reserve money level during the last two weeks of August and may indicate CB difficulties in correcting its cash flow problems.

Based on latest CB statistics, reserve money, consisting of deposit balances of banks with the CB and currency in circulation, dipped by P1,375 million to P37,969 million during the week of 25 to 29 August from the week-ago level of P39,344 million.

This came about at a time when the commercial banking system posted an excess reserve position of P1,046 million, one of the highest in history.

The sharp decline in reserve money followed the previous week's (18 to 22 August) equally sharp rise of P2,172 million due to the CB's credit expansion moves.

CB sources disclosed yesterday that the drop in the reserve money level was principally caused by the CB's issuance of its securities totaling P3.7 billion.

CB bills were the principal instruments used in 1984 and the first half of 1985 to drive down the inflation rate which was then running at over 50 percent. At that time, the CB offered highly lucrative yields for its bills to attract investors, in the process, forcing lending rates to rise to astronomical levels as well.

By offering these high-yield CB bills, the government succeeded in taking out of circulation a substantial amount of money and thus pushed down the reserve money level to a predetermined ceiling agreed with the IMF.

Today, however, inflation has dropped to just 1.4 percent as of the end of last month which means that the CB has no reason to resume issuance of its bills.

Monetary sources told BUSINESS DAY yesterday that one factor that may have forced the CB's hand is the problem being faced by the bank in redeeming the high-yield bills issued in the past which started to mature in the last few weeks.

During the recent visit of an IMF staff mission that negotiated with the Philippine government a new standby arrangement, the Fund expressed concern over the impact of the CB's issuance in the past of these high-yield instruments on the bank's income position.

Documents obtained by BUSINESS DAY noted the Fund's cautioning the government as follows: "In recent year, the net income position of the CB has reflected the burdens of meeting substantially higher interest payments (linked to the additional issue of CB bills necessitated in part by the relatively large national government deficits)." This shift in the net income position of the CB carried with it "implications for future CB operations that tend to reduce flexibility."

In view of this, sources said the government promised the IMF that it will reduce its reliance on CB bills and will phase out these instruments over a period of time.

The decline in reserve money level based on the latest CB data was also influenced by a drop in rediscounting credits of some P400 million to P11,629 million from the previous week's P12,029 million.

Offsetting the negative influence of this on the reserve money level was the withdrawal by the national government of its deposits with the CB of about P1.4 billion and a rise of P1.6 billion in reverse repurchase agreements.

Withdrawals made by the national government have the net effect of adding to the money stream while reverse repurchase agreements also release pesos that would otherwise be blocked in the form of government securities.

/12858
CSO: 4200/24

MORE LOANS NEEDED TO SHORE UP BALANCE OF PAYMENTS

HK251453 Quezon City BUSINESS DAY in English 25 Sep 86 p 3

[By reporter Daniel C. Yu]

[Text] The Philippines will have to continue relying heavily on additional borrowings over the next 18 months and the restructuring of its short-term obligations to medium-term debts in order to shore up its balance of payments [BOP] position.

Under the proposed standby arrangement with the International Monetary Fund, the government has committed to comply with gradually declining limits for country's Net International Reserves (NIR), whose improvements is directly reflected in the country's BOP.

NIR, which consist of the country's gross international reserves and short-term foreign liabilities, stood at negative $1,104 million at the end of 30 June this year. So despite an impressive gross international reserves estimated by the country's monetary authorities at $1,636 million for the first semester, it is completely offset by short-term liabilities.

For the end of this month, the Fund and the government jointly agreed on an NIR floor of negative $1,207 million; for 31 October, the floor is negative $1,269 million; for 31 December, negative $908 million; and for 31 March next year, negative $778 million.

The quarterly floors will allow for deviations from the agreed targets due to new borrowings that may come in during the period and the restructuring of Central Bank [CB]-ASSUMED liabilities such as the trade facility and short-term obligations of private financial institutions covered under CB Circular No 1091.

Estimates made by the Fund and the government indicate that cumulative new money disbursements from foreign commercial banks and official sources will come up to about $320 million by the end of this month, $764 million by the end of this year and $946 million by 31 March 1987.

On the other hand, CB liabilities under the trade facility which stood at $1,565 million at the end of the first semester this year are projected to

be $1,538 million at the end of this month, $1,450 million at the end of December 1986 and $1,388 million at the end of March 1987.

CB-ASSUMED liabilities under Circular No 1091 which stood at $55 million at the end of June this year, are projected to increase to $291 million at the end of this month, $587 million at the end of this year and $587 million by the end of March 1987.

These CB-ASSUMED liabilities will be included under the 1984 restructuring agreement covering a period of 10 years with five years' grace.

In the case of the gross international reserves, the government under the standby program has committed to maintain it at about three and a half months of imports.

Last year, gross international reserves stood at $1.1 billion. For this year, the agreed level is $2.4 billion; for 1987, it will be $2.7 billion and for 1988 an indicative level of $2.9 billion has been agreed.

During the second quarter this year, the CB attributed the growth in the gross international reserves--consisting of CB holdings of gold, foreign currencies and the inflow of foreign investments--to its stepped-up purchase of currency in the market, coupled with the low demand for foreign exchange due to the slump in importations.

The level of reserves was also boosted by the purchase by CB of the proceeds of the government's Asian Development Bank loan and the Economic Support Fund from the United States.

The IMF has been working closely with the government to reduce the level of short-term borrowings of the country in order to alleviate the pressure on the BOP.

Reducing the negative NIR over the 18-month period would be effected from a combination of a growth in the gross international reserves and a decline in the short-term liabilities.

Decline in the short-term liabilities will be undertaken through restructuring of some of these short-term debts to longer repayment periods. This will also necessitate new disbursements from commercial banks and official lenders to pay off some of these short-term debts which cannot be restructured.

/12858
CSO: 4200/24

ECONOMIC INDICATOR ON INCREASE OF CENTRAL BANK LENDINGS

HK151344 Quezon City BUSINESS DAY in English 15 Sep 86 p 10

["Economic Indicator" column: "CB Lendings Increase 63.36 Percent in First Half"]

[Text] Total loans granted by the Central Bank [CB] to the national government, banking institutions and non-banks with quasi-banking functions [NBQBF] for the first semester this year increased by 63.36 percent from the year ago level.

CB statistics showed that total lendings for the first six months of the year amounted to P84,179.2 million, up P32,649.0 million from last year's P51,530.2 million.

On a quarterly basis, however, the second three-month period of 1986 saw a contraction in loans from the first quarter figure. The bigger loan total granted by the CB in the first quarter could be the result of the heavy spending for the presidential election last February.

The banking sector remained the heaviest borrower availing of the bulk or 64.79 percent of the total loans for the period under review. Total borrowings of the banking sector (including specialized government banks, thrift banks, rural banks and commercial banks) reached P54,543.4 million, up 66.26 percent from P32,805.8 million in the same period last year.

Loans Granted by the Central Bank
As of June 1986/1985
(In million pesos)

	Grand Total	Government: Total	Government: Nat'l Gov't-Budgetary	Government: Nat'l Gov't-Other	Government: Local & Semi-Gov't Entities	Total
1986						
January	8,682.7	3,045.1	1,500.0	1,490.9	54.2	5,636.1
February	25,698.2	6,015.2	---	6,005.2	10.0	19,622.4

	Grand Total	Total	Nat'l Gov't-Budgetary	Nat'l Gov't-Other	Local & Semi-Gov't Entities	Total
1986 (cont'd)						
March	20,773.2	12,880.5	9,322.0	3,551.2	7.3	7,892.3
April	6,524.4	2,413.0	554.0	1,858.2	0.8	4,062.2
May	12,364.9	858.6	---	841.7	16.9	11,500.6
June	10,135.8	4,305.7	---	4,109.7	196.0	5,829.8
1985						
January	7,498.7	1,038.1	---	1,030.8	7.3	6,423.9
February	7,356.7	984.0	---	773.0	211.0	6,351.1
March	7,052.4	207.0	---	---	207.0	6,830.8
April	14,492.8	11,541.6	8,400.0	2,943.4	198.2	2,917.9
May	8,399.9	1,218.2	---	1,070.6	147.6	7,173.9
June	6,729.7	3,620.0	---	3,539.6	80.4	3,108.2
July	4,922.0	589.4	---	530.0	59.4	4,328.4
August	16,035.0	2,531.6	---	1,127.3	1,404.3	13,496.0
September	9,660.6	4,119.0	2,101.0	955.1	1,062.9	5,540.2
October	8,292.4	3,109.9	---	2,596.9	513.0	5,177.6
November	9,264.8	2,056.6	---	1,678.7	377.9	7,204.8
December	12,569.6	4,690.9	---	4,249.2	441.7	7,874.4

Source: Central Bank

	Banks				
	Splzd. Gov't Banks	Thrift Banks	Rural Banks	Commercial Banks	NBQBF
1986					
January	1,357.2	0.7	32.0	4,246.2	1.5
February	9,720.8	28.5	29.7	9,843.4	60.6
March	3,464.5	6.0	40.9	4,380.9	0.4
April	1,325.0	---	41.1	2,696.1	49.2
May	3,982.4	8.7	42.0	7,467.5	5.7
June	3,813.2	19.7	45.9	1,951.0	0.3

	Banks				
	Splzd. Gov't Banks	Thrift Banks	Rural Banks	Commercial Banks	NBQBF
1985					
January	3,280.5	94.9	32.9	3,015.6	36.7
February	3,556.4	0.1	43.3	2,751.3	21.6
March	4,035.8	13.3	54.3	2,727.4	14.6
April	1,030.4	2.8	58.4	1,826.3	33.3
May	1,647.8	5.6	60.1	5,460.4	7.8
June	2,513.5	0.9	49.2	544.6	1.5
July	1,336.2	13.0	71.6	2,907.6	4.2
August	8,607.8	10.9	80.2	4,797.1	7.4
September	1,993.5	1.0	75.8	3,469.9	1.4
October	1,412.2	2.5	67.7	3,695.2	4.9
November	2,989.8	0.9	18.5	4,195.6	3.4
December	3,785.2	1.3	52.0	4,035.9	4.3

Source: Central Bank

/12858
CSO: 4200/24

JAN-SEP 86 STRIKES UP 56.8 PERCENT OVER 1985

HK261345 Manila THE MANILA JOURNAL in English 26 Sep 86 pp 1, 11

[By Willie Jose]

[Text] The Labor Ministry yesterday reported that workers' strikes have gone up to 472 from January to September this year, about 56.8 percent higher than the 301 cases filed during the same period a year ago.

Ministry statistics showed that the major causes of the recent strikes were unfair labor practices, collective bargaining deadlocks and labor standards issues.

The Labor Ministry also said a total of 136,980 workers were involved, idled for about 2.902 million man-days in contrast with the previous 77,091 strikers and 2.076 million working days lost.

From January-September period this year, the Labor Ministry reported that a total of 488 strikes had been monitored and out of this number, 16 cases were carried over from 1985.

Meanwhile, the Labor Ministry said that two more labor disputes in Metro Manila--the Medical Center of Manila and the Classified Staff Union of the International School--have already been settled.

The workers at the Medical Center of Manila have returned to work after they have signed an agreement with management which stipulates that the hospital recognizes the union as the sole bargaining representative of all its rank-and-file employees for the purpose of collective bargaining. The management and the workers also agreed that the hospital shall pay back salaries with allowances to some of the employees who were terminated last August.

The labor dispute at the International School has also been averted with both workers and management agreeing to a wage package increase of about P3,450 for a three-year CBA [Collective Bargaining Agreement].

/12858
CSO: 4200/24

BRIEFS

PEACE AND ORDER IN ILOCOS SUR--Vigan, Ilocos Sur--The peace and order situation in Ilocos Sur is under control, according to Provincial Commander Col Wilfredo Nicolas. Nicolas said about 500 crimes were commited from January to August this year but some 400 cases have been solved. Of the offenses, 230 cases were against persons, 41 against property and 228 for other crimes. On illegal gambling, the PC [Philippine Constabulary] command conducted 32 raids resulting in the arrest of 235 persons. Some P40,600 and gambling paraphernalia were confiscated. Nicolas also said the campaign against loose firearms had paid off, netting the seizure of eight high-powered firearms, 31 handguns and 151 assorted pieces of ammunition. About 27 kilos of marijuana leaves and 4,065 fully-grown marijuana plants were recovered by the PC-INP [Integrated National Police] elements in the province during the eight-month period, he said. [Text] [Manila THE MANILA TIMES in English 16 Sep 86 p 16 HK] /12858

CSO: 4200/24

PRIME MINISTER ADVISER COMMENTS ON COUP TRIAL, CONSTITUTION

Bangkok SIAM RAT in Thai 13 Aug 86 pp 1, 16

[Text] Dr Amon Raksasat, senator and advisor to the prime minister, disclosed to SIAM RAT on 11 August that at 9:30 am on 13 August the senate will convene to consider the proposal that there be no trial of the 9 September coup defendants while Parliament is in session.

Dr Amon said that permission to release a detainee on bail is in the power of the court and that there should be no exercise of political power to interfere with the power of the court. He said the court must be allowed to decide on its own. Regarding this matter, he said he is of the opinion that revolutions and coups d'etat are like people setting your house on fire. He asked if we should be lenient to them. He said the people who staged a coup d'etat on 9 September 1985 were those who uprooted Parliament.

"Senators must make up their minds about this. If the people who rebelled or staged a coup d'etat were allowed to go free, they would do it again. This must be decided firmly," he said, and added that those who plot to pull off a coup are political gangsters. If they just discussed a coup on the telephone, there would be no problem. There would be no damage to the country. If they actually staged a coup, then we must consider the matter very carefully.

As for the call for an amendment to the Constitution providing that the prime minister be an elected MP and that senators be elected, Dr Amon opined that he did not agree that there should be an amendment on this issue. He said that even in foreign countries, it is not required that the prime minister come from among the elected MP's. The way things are now, there is an open door for either an elected MP or a non-elected MP to become prime minister.

"If you have senators simply to insult, why have senators at all? When it is stated that senators shall be qualified people, then we must honor them. If we ask them to cut down their responsibilities for national affairs, is it fair to them?" asked Dr Amon. He said that as for the analyses by scholars that the "Prem 5" administration would flounder because General Prem is not an elected MP, he did not agree. If it were to flounder it would be more because of Parliament.

"The prime minister has to be on guard against the opposition, because they are slippery and tricky. He cannot be off guard. The government collapsed last time because the government was off guard. The weakness of a democratic government, Thai-style, is that the government is often off guard," said Dr Amon.

12282/12379
CSO: 4207/320

PRASONG DISCUSSES POLITICAL, ECONOMIC TIES WITH LAOS

Bangkok MATICHON SUT SAPDA in Thai 10 Aug 86 pp 36-38

[Text] Since Laos changed its system of government to a communist system in 1975, the influence of Vietnam in Laos has continued to increase, with the Soviet Union staying very closely behind, as I have related to you in the last part of my story.

Relations between Thailand and Laos also began to deteriorate from then on. I would like to say that although Laos is under communist rule, I do not think it is this rule that is the main cause for the deterioration of Thai-Lao relations. Rather, it is because the people who wield real power in Laos do not wish to see the brotherly countries of Thailand and Laos normalize their relations. This is in the interest of the people who have real power in that country.

The frequent incidents of friction along the Thai-Lao border since the communists took over Laos are the result of the instigation by other people rather than the result of the real desire of the Lao themselves.

This is because, in addition to Vietnam, the Soviet Union has also enjoyed a variety of means to stir up Laos' anger against Thailand. I would like to cite as an example the recent Soviet delivery of strategic goods at a Thai port. The Soviets then asked Thailand for permission to transport the goods through to Laos. This is in spite of the fact that the Soviet Union knew full well that the Thais would not allow the transportation of such goods through their country, because these are strategic goods that are on the clearly disclosed list of prohibited goods. Still, the Soviets pretended not to know and did not inform Thailand in advance that it would like to transport such goods through Thailand to Laos.

Suddenly the Soviets just shipped a patrol boat that they wanted to give to Laos to Bangkok's port and unloaded it there along with many field radio sets.

And suddenly there appeared at the Bangkok port barrels of fuels of many types, both fuel for airplanes and hundreds of barrels of fuel for tanks, which belong to the Soviet Union and which the Soviet Union would like to send through to Laos.

Our officials had to do their duty and implement the government policy, which did not allow goods or things considered to be materiel to pass through Thailand to Laos. Our officials impounded those goods at the Bangkok port compound and then informed the Lao and Soviet officials that their goods could not be sent through to Laos.

The Lao were angry with Thailand because they wanted to have the said goods. No matter what explanations we gave, the Lao pretended not to understand, just as the Soviets did, and they charged that we were persecuting them.

And every time that the Lao were angry they would complain publicly that Laos is a small country that wants to coexist peacefully with its neighbors. And every time, the Lao would say that the Mekong River is a peaceful river that Thailand and Laos should look after so that the Lao and Thai peoples can make use of it together.

I myself do not deny that Laos is a small country, nor do I deny that the Mekong River is a peaceful river that the Thais and the Lao should look after together for their joint use. But it is also true that the Lao would be the first to pursue and shoot at the Thais on this river every time (such an incident took place), so that it is almost impossible to keep the peace. Even for such a simple thing as the releasing of "Buek" fish offspring into the Mekong River, when we asked the Lao government to send a representative to take part in the ceremony releasing the fish into the river--this is so that the people of both sides who reside along the river banks can catch the fish and use it for their food in the future--the Lao refused, and they also refused to cooperate in this area.

The deputy foreign minister of Laos is His Excellency Suban Salidtiraat, whom I had met when he was a permanent undersecretary of state for foreign affairs of Laos and have known very well since, and whom I recently met again in Bangkok when he was heading a delegation for talks on national affairs with Thailand. I posed a question to him on the matter of releasing "Buek" fish offspring into the Mekong River as to why Laos had difficulties with it, even though it would be useful for the people of both sides who live along the river banks and would create a friendly international atmosphere at the people-to-people level in the Mekong River bank areas. His excellency told me that the political problem must be solved before there could be a joint release of "Buek" fish offspring.

And so "Buek" fish were hit by politics, just as many permanent government officials in our country have been badly hit by politics, even though they are not the offspring of "Buek" fish, so to speak.

I told His Excellency Suban that it is all right for us not to release the offspring of "Buek" fish together now, but that I would like to ask him to take care of the Mekong River on his side and not to let someone release piranhas into the river because they would be dangerous for both the Lao and the Thai peoples in the future.

His Excellency Suban turned to the Lao ambassador to Bangkok who was standing by his side, listening, and asked him in Lao what a piranha was, since he had never heard a name like that before. I heard the ambassador say: "A fish that eats humans, a fish that eats humans."

All along, the Thais have tried to be compromising and liberal in order to help the Lao people with their various problems, especially with their bread and butter problems. This is because we know very well that the Lao people are facing severe economic difficulties. But it is the Lao leaders who, not being free to make decisions, have created many rough situations that have continued to be a problem until today.

A Lao delegation on economic and social matters once visited Thailand. The Thai officials from the Ministry of Agriculture took them on a tour of a pig farm and offered them hundreds of baby pigs so that they could be raised in Laos. But the Lao delegation was not able to take the pigs home with them at the time. And so they asked the Thais to take care of the pigs for them and said they would return to pick the pigs up on a later date.

We had to raise the pigs for a long time, and the Lao never showed up for them. Our officials had to send a reminder to Vientiane, and another Lao delegation arrived in Thailand once more. Our officials made a lot of effort to transport the pigs to the Lao delegation. The Lao delegates saw the pigs and were very surprised, and they said these were not the baby pigs that the Thai officials had offered them because they were so much bigger than the ones that they had seen. The Lao said the Thais breached the agreement previously made. And so the Lao delegation could not take the pigs.

I guarantee that the story which I just told you really happened in this world--it happened between the Thais and the Lao. And in relating this story, I have no intention other than to tell you that the association with the Lao in an era in which there are other people dictating to them, controlling them, and watching them is quite a difficult thing in practice.

It is precisely because there are other people dictating to them, controlling them, and watching them that we are made to be suspicious and cautious. We have implemented several measures along the border--be it the restrictions on goods from Thailand into Laos, which must be enough for the Lao people, or the restrictions on equipment and things to be used in wars, or the partial opening of the border only--all of these are for our own security, first and foremost, and all of these have been created by the Thai government since 1978.

All these measures can be said not to be in violation of international law or any United Nations conventions, because the Barcelona Convention clearly states that, although a land-locked country should be given favorable treatment by a coastal country in allowing overland traffic and transportation, the country in a position to allow such overland traffic and transportation has every right to implement such measures as are necessary for its own security.

Therefore, although Laos is a land-locked country and has to depend on Thailand for the overland transportation of its goods--and Thailand must extend favorable treatment to Laos in the overland transportation of its goods--Laos' behavior and practices under the dictates of other people have been hostile to Thailand, including the presence of allowing some 50,000 to 60,000 Vietnamese troops in Laos, who have contributed to the organization of new, pro-Vietnamese, pro-Soviet Thai communists. Thus, Thailand finds it necessary to take into account its own security.

As a matter of fact, although Laos has changed to communist rule and has promised its people that they would have a better life than when they did under the old regime, the reality in Laos today is that the Laos are even worse off than before. Their annual per-capita income is no more than 2,000 baht.

Laos cannot be developed any further because it lacks knowledgable people and because all the knowledgable people have fled the country. It lacks capital for investment. It cannot control its financial situation and the black market in the country. In addition, the Lao government increases taxes on trade by private citizens and controls trade very closely, not allowing private citizens to trade as freely as before.

As far as the contact for foreign assistance is concerned, Laos has made more contacts with countries within its socialist group more than with other countries in the Free World.

There are some traders in our country who think that the fact that the government opens only three border crossings, in Nongkhai and Mukdahan provinces, without opening the whole length of the border with Laos, has made it impossible for them to get any trade, because there is nobody who would cross over to buy things. Or some people in our country have said that the fact that the government controls the trade in certain types of goods has depressed the trade sector of the economy. And some have said that the government's control on trade is too detailed, as everything has become a strategic good.

I would like to state that the people who have said this do not know the facts or have not received adequate accurate data. This is because, although the Thai side wishes to promote and increase trade with Laos, it can be seen that, after considering the fact of four restrictions involving Laos, the chances of selling more goods to Laos--as some have imagined--are slim. This is because, first, Laos has limited purchasing power, that is, it has little money. Whether it is the Lao government or its people, they all have to resort to bartering, that is, they use products of the wild as a means of exchange or they buy things on credit with long-term repayment. I do not think our traders could give long-term credits.

Second, Laos has a limited market because its population is only 3 million. And these people do not have a lot of money in their pockets as everyone thought they did. They are even poorer than the Thai people in the rural areas.

Third, the Lao government is short of foreign currencies with which it could trade with foreign countries. Most of the trade or almost all of the trade is a matter of receiving assistance from others.

And fourth, the Lao government prohibits the private individuals from trading. Thai traders think they can trade with the private traders of Laos as they have done with traders in the Free World. Let's forget about that because it is impossible to do so.

Thai traders could not ask for permission to go into Laos to bid for certain contracts as they wish to, because the Lao embassy refused to issue them a visa or delayed the issuance of visas for 3 to 4 months, and when they finally traveled to Laos, the bidding process would be completed. When they returned they could not blame anybody else, so they turned upon their own people.

The Lao and Vietnamese authorities like to see quarrels among our people over things like these.

Talking about trade, if we were able to sell our goods as we thought we would be able to, there would be no one who would prohibit us or would intentionally prevent us from doing that so that we would suffer damages. But there are many obstacles to trade, as I have told you. It is the same with strategic goods. The government imposed control on only a few items of absolutely prohibited goods. Anyone who is interested in finding out may ask to see a list of such goods from every provincial commercial officer. Even the private sector in our country is not allowed to deal in these types of goods. And another thing that is misunderstood by some traders is the control on the quantities of certain exports. These traders think that these goods are prohibited from being exported altogether. This is not true. The purpose of controlling the quantity of such goods is simply for the traders to notify the authorities of what and how much of such goods they are exporting. This is to enable the responsible officials to know that such goods will be used truly for the benefit of the Lao people, and not for the kind of business that could have repercussions on our security and safety later.

The same thing is true with the Thai-Lao border crossing point. If we were to consider the volume of trade there, we would see that the volume is adequate. Anyone who travels to Nongkhai or Mukdahan would see that the traffic at the crossing point is not so jammed as to damage the trade. On some days, our officials who are working at these border crossing points would just sit and wait for goods to come by and would have nothing else to do but drive away mosquitoes and ask: When are the traders coming?

However, although there are only three border crossings that are open, if in fact the requests are made by private individuals who engage in trade--be they Thai or Lao--to the effect that there is a big volume of trade and exchanges, the authorities would grant permission every now and then (to open more border crossings). Therefore, there is no problem of the trade having to suffer as a result of not opening all the border crossing points.

We have even allowed the Lao people, who reside just across the border from any of our district or provincial towns, to cross over to our side to buy necessities in their daily lives. And if they should buy no more than 20,000 baht worth of goods, they would not have to pay taxes. It turned out that the crossing of the Lao people has not markedly increased as our traders had thought. This is because, in addition to the fact that they do not have much money, the Lao people's travel is strictly controlled.

If we were to look at the figures demonstrating the volume of trade between Thailand and Laos in the past 3 years, we would see that the volume of trade

has gradually declined. This is because of Laos' economic difficulties. In 1983, the volume of trade between Thailand and Laos was worth 805 million baht. In 1984, it was about 632 million baht, and in 1985 it decreased to only 400 million baht.

Therefore, do not think that the market in Laos is huge and has great purchasing power, as some traders believe.

Some people said that if the Thai borders continued to be closed as they are now, and if there is no support for traders to trade freely, then in the future Thailand will lose important markets. And some people said that the roads and oil pipeline which the Soviet Union have been helping to build from Vietnam into Laos will be completed in the near future, by which time Thailand will lose all its bargaining power with Laos.

I would like to say that as far as I know, we have never thought of using any power to bargain with Laos at all, in any matter at all. It is the Lao leaders who like to come and bargain with us by using other people's power.

As for the oil pipeline from Vinh City in Vietnam, which has been completed to as far as the Poo Ngoo Station, in the province of Kham Muan, Laos, I would like to tell you that the Soviet Union and Vietnam have been constructing it together since October 1976. it is about 286 km long and was used to carry oil in 1981 as a test run and found not to be usable. Improvements and repairs had to be made. And it was used again to carry oil just in 1984 and found to have improved. Still, there were a lot of troubles. For example, in winter time it could not be used to send oil because of the overflowing by the rain, and some parts of it leaked. In addition, there had to be a pumping station to pump oil through the pipeline to 18 other stations. There were a lot of maintenance and repair problems. There were constant interruptions in the transfer of oil. At present, the Soviets are constructing the extension of the oil pipeline to connect the Poo Ngoo Station with Vientiane. It is about 500 km long. It will take them a long time before it is completed.

The land transportation route through rugged terrains from Vietnam to Laos created difficulties that could not be solved either. In particular, the expenses for such transportation were high, and it was slow. Besides, there were no repair stations for motor vehicles that broke down in the middle of the way, there were no parts, and these vehicles often faced robberies from their own people, and nobody else.

But in the report sent to Vientiane, they also would say, every time, that it was the work of the resistance elements.

12282/12379
CSO: 4207/321

PAPER URGES INCREASED TRADE WITH LAOS

BK271344 Bangkok THAI RAT in Thai 26 Sep 86 p 3

[Editorial: "Thai-Lao Trade Relations"]

[Text] The ambassador of Laos to Thailand said Laos welcomes any move by Thailand to increase relations between the two countries, especially direct trade between the two governments. Thailand itself wants to promote efforts for the mutual benefit of the two countries.

For Thailand, there is no difference between Laos past or present. Political conditions have become the obstacle to trade and relations between peoples at the border. Laos has been backed politically by certain countries and this has resulted in frequent frictions with Thailand. Thailand itself is wondering what then is the use of helping Laos.

Mutual assistance is, however, beneficial for countries as well as for their peoples, and trade relations would only contribute to peaceful coexistence.

Laos has extended its hands to us as a good neighbor, offering to restore normal trade relations. This should be possible if political and ideological differences are set aside and efforts are made to encourage mutual cooperation.

For the sake of gain in trade exchange, we must sometimes rid ourselves of unnecessary political concerns, especially now when we are desperately looking for markets for our exports in the wake of protectionism by world powers. We must facilitate the free trade system and open options to all countries. We can open more checkpoints for trade with Laos so as to encourage trade normalization.

We should not be overly suspicious of Laos' political intent. From a geographical point of view, Laos will always have to depend on Thailand because it is a landlocked country. What remains a problem nowadays is Thailand's unclear policy toward the Indochinese countries. This should be adjusted so that political relations among countries in this region can contribute to mutual friendship.

We hope that normalization of trade relations will be a good beginning in improving relations between Thailand and Laos as Laos itself can benefit from Thailand's help economically while Thailand, too, still needs imports from Laos.

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CSO: 4207/11

COLUMNIST ON IMPROVED RELATIONS WITH LAOS

BK011119 Bangkok SIAM RAT in Thai 1 Oct 86 p 4

[Chaiwat Yonpiam column]

[Text] Political and diplomatic moves during the past week, particularly the meeting between Thai Foreign Minister Air Chief Marshal Sitthi Sawetsila and Lao Deputy Foreign Minister Souban Salitthilat a few days ago, are quite important to both Thailand and Laos because they can lead to a normalization of relations between the governments of the two countries.

Earlier, Thai newspapers reported on the call made by the Lao ambassador to Bangkok to increase Thai-Lao trade. According to the Lao envoy, the demand for Thai consumer goods in his country is very high, but Thailand refuses to trade with Laos on a government-to-government basis and has, moreover, listed as many as 270 items as strategic goods not to be exported to that country. As a result, the Thai Government has unintentionally offered an opportunity for middlemen to make a profit. This is because Laos has to buy Thai goods through Singapore, our southern neighbor. Laos can purchase anything, be it strategic goods like food seasoning powder (which can be used to stop bleeding) or non-strategic items, from Singapore. All bicycles in Laos were made in Thailand and bought through Singapore.

While Singapore is making huge profits from this business, Thailand seems to be satisfied with maintaining what it sees as stability. Now, however, the Thai Government is reviewing this situation and has begun to appreciate the problem.

A report from the Foreign Ministry notes that the meeting between the Thai foreign minister and the Lao deputy foreign minister at the United Nations in New York in late September was a step by the Vientiane Government in its attempt to revive friendship with Thailand. It was the Lao officials at the United Nations who approached the Thai delegation about the meeting during which bilateral political and trade issues were discussed. The Lao side reportedly mentioned during the meeting the necessity to comply with the common desire of the Lao and Thai peoples for goodneighborly relations between their two countries.

Three weeks ago, Air Chief Marshal Sitthi Sawetsila said Thailand welcomed the statement by Laos that it was ready to hold talks with Thailand at any level. Formerly, the Lao communist government insisted that talks between the two countries could only be held at a high level. Since then, the Thai Government has instructed governors of the provinces along the border with Laos to maintain contacts with officials of the adjacent Lao provinces and organize sports events for the peoples of the two countries.

Meanwhile, some Thai senior officials claim that the 50,000 Vietnamese soldiers in Laos have been trying to pressure the Lao officials and people not to befriend the Thai side.

An important indication of the resumption of close contacts between the two countries which are bound by culture, language, and history is the relaxation for Thai traders to sell strategic goods to Laos. The Thai private sector has been smuggling contraband goods such as food seasoning powder, dry cell batteries, car batteries, spare parts, and even bicycles across the Mekong River to Laos. The Thai Government is considering opening more border passes to allow the flow of such products to Laos.

Such gestures and attitude toward Thailand by Laos are foreseeable because they are the offspring of the Soviet detente policy for Asia and Pacific region which is characterized by diplomatic and political offensives in accordance with Moscow's new foreign policy as enunciated in Gorbachev's statement in Vladivostok in the Soviet Far East 2 months ago.

As a poor country under heavy influence from Vietnam, Laos might be used as a test of the change in Soviet policy to seek compromise with neighbors of different political ideologies. So far, Hanoi has not yet come up with such a gesture. Hanoi might have assigned Vientiane to carry out the policy of its master as it is not yet ready to do the job because its old leaders still believe that it is difficult to reconcile with noncommunist neighbors.

This means Vietnam will continue to keep its troops in Cambodia.

/12858
CSO: 4207/11

STATION COMMENTS ON SRV'S 'POLITICAL OFFENSIVES'

BK260958 Bangkok Voice of Free Asia in Thai 1030 GMT 24 Sep 86

["Station Article"]

[Text] Although Vietnamese leaders have said repeatedly that they desire negotiated settlement of the evil situation in Cambodia, the action of Vietnam and the Vietnamese-backed Heng Samrin regime have been just the opposite. The Vietnamese action can be divided into these categories:

The first is the political offensive through presenting unreasonable and unacceptable proposals, which Vietnam calls "peace proposals," aimed at misleading the world to think that Vietnam has earnestly tried to solve the Cambodian problem. Vietnamese leaders also believe that their proposals will improve Vietnam's image in the world community. In particular, at the current UN General Assembly Vietnamese leaders hope to reverse the assembly's resolution, which is virtually impossible because the world knows that nearly 200,000 Vietnamese soldiers have been cruelly occupying Cambodia for 8 years now.

Listeners, the only solution is to force Vietnam to withdraw its soldiers from Cambodia as soon as possible in order to allow the Cambodian people to determine their own destiny.

Another Vietnamese offensive is the use of political, economic, and legal measures to coerce the Cambodian people in order to maintain the Vietnamese military occupation of Cambodia. For example, in early September Vietnamese and Heng Samrin officials called a meeting of Cambodian people to tell them to disassemble their homes and rebuild them on both sides of Highway 5, despite the fact that earlier many of these people had protested by fleeing from their homes. These people were told to disassemble their homes and move to the new site by December. Those who disregard this order will have their homes torn down and family leaders will face severe punishment. Cambodian community leaders have been forced to draft men and women from 16 to 45 years of age to work as volunteers or village soldiers. Cambodians have been prohibited from leaving their villages without permission or permits.

Vietnamese soldiers illegally occupying Cambodia also increased in number and intruded into Thai territory about 16 times in August. Of these 16 intrusions, 7 resulted in clashes with Thai soldiers, while the 9 other intrusions were for the purpose of planting landmines. A total of 190 rounds of Vietnamese heavy weapons landed inside the Thai border during August, wounding a Thai villager and damaging many homes.

/12858
CSO: 4207/11

BURMA BORDER SMUGGLING, POLICE CORRUPTION DESCRIBED

Bangkok MATICHON SUT SAPDA in Thai 17 Aug 86 p 10

[Text] As for the Thai-Burmese areas, the most notorious place is Mae Sod District, Tak Province. This is because a variety of products, both exports and imports, can be smuggled in and out for sale more easily than at any other point on the border. The place where there was even a black market with a sizable amount of trading is "Wang Kha," where the products range from gold, jade, cows, silver, and almost all types of marine products, including dried shrimp and fish intestines. The Thai products that are brought here to be exchanged are clothes, wooden sandles, cosmetics, and food products such as canned foods.

In all this, there is no need to talk about customs tariffs because, in spite of the existence of the customs checkpoints of the police, the military, and the administrative border patrol police, once such tariffs are paid under the counter they are considered officially paid. Besides, so many state officials are involved in the trade that it has become commonplace.

But there is another factor involved in the trade, and that is the ethnic minorities, who ask to have a part in it, especially the Karens who live along the "stretch" where the Thai and Burmese borders meet. They provide protection and receive by-products from the trade.

However, recently it appeared that the Burmese authorities set out to wipe out the ethnic minorities, who are trying to save their nations, resulting in intensified clashes and halting the trade for a time. But is was not for long.

Another place that seems quiet, and not conspicuous, is at the Thai-Burmese border area of Sangkla District, Dan Jedi Saam Ong, of Kanchanaburi Province. Although there are many groups of ethnic minorities, such as the Karens and the Mon-Khmers, they are not obstacles to the trade, except in cases where the Burmese government becomes strict or there are clashes.

In this area, there has been black market trading for so long that it is now commonplace. But it is remote from developed areas, and because, from big cities in Burma, it takes a long time to travel to the area in Thai territory, it is therefore not convenient for the transportation of products. And such transport of products is done by patient and tough Burmese traveling on foot.

The most outstanding goods are cows, driven in herds from Burma into Thailand through jungles and mountainous terrains down to a town that has convenient roads and streets, from where they are then transported on 10-wheel trucks to the big cities, where they are put up for sale.

On each trip a herd of cows will bring in an income that it is worth the time and the travel, because Burmese cows are so much cheaper than the Thai ones. Moreover, there are no tariff payments, just "through" fees to state officials who set up checkpoints to collect money at intervals.

Based on the information derived from the survey of expenses that the owners of the cows had to pay to government officials, who pocketed the money, along the way from Sangkla District down to Nakhon Pathom Province, where the cows were slaughtered, the approximate payments are as follows:

This information is taken from the information on the cost of transporting cows by one 10-wheel truck; it concerns the payments the owners of the cows had to pay because they knew they were violating the law by smuggling cows across a national border:

Karen checkpoint ("through" money)	300 baht
Border Patrol Police (Area 7) checkpoint	500 baht
Provincial police checkpoint at Sangkla (a major point)	3,000 baht
Provincial police checkpoint at Sangkla (a minor point)	100 baht
Provincial police checkpoints at Tong Phupa (two)	350 baht
Provincial police checkpoints at Saiyoke (three)	300 baht
Provincial police checkpoint at Panomtuan	50 baht
Provincial police checkpoint at Prataen Dongrank	500 baht

Miscellaneous: The Karen checkpoints that collect money as tariffs would issue a receipt called "through" money (literally: water faucet fee). As for the military checkpoints, there are many. But the military would allow passage without collecting any money; it would simply ask to take the picture of the truck and the driver as evidence. The Sangkla checkpoint asks for the passage fees for cows at the rate of 150 baht per cow, or 3,000 baht for one truck full of cows. The reason for such a high rate is that the money has to be divided and distributed to several units which are the police suppression force, the provincial police, and the central investigation division police, as well as other government agencies--all organized into what is called "Extortion United." Normally, other trucks would have to pay to the Panomtuan checkpoint at the rate of 100 baht per truck. But there are some special cases in which only half of that amount is paid because they follow the procedures strictly, that is, they do not try to evade the fees. Even late at night, when the policemen are asleep, they would wake the policemen up so that they can make payments.

In addition, suggestions have been made for Prataen Dongrank checkpoint that its fees are rather high, causing frequent evasions. The commander of the checkpoint should order his men to reduce the fee, making it cheaper but collecting it more often. That way, the income should be rather substantial.

At the same time, despite the existence of permanent checkpoints, there are also mobile checkpoints. But the figures of the fees paid to these mobile checkpoints are not available, because there is no certainty about them. So it is a matter of "luck" for the truckers. There are two types of mobile checkpoints. They are the "yellow head" task force patrol and the "white head" traffic police. Both types use motorcycles as their vehicles to pursue trucks that would not stop at checkpoints. The fees for these are normally 200 baht per truck.

This must have been a means of living for traders who have become rich for a long time, and it would be difficult to solve this problem because as it appears that the government officials are involved. So it is a matter of "grandma's money buying grandma's own sweets."

The revenues which the state should have are pitifully lost by the wayside.

12282/12379
CSO: 4207/320

INTERNAL SECURITY, REFUGEE, DRUG POLICIES OUTLINED

Bangkok SIAM RAT in Thai 6 Sep 86 p 2

[Unattributed report: "Ministry of Interior Policies During the Time of Gen Prachuap Suntharangkun"]

[Excerpts] On 5 September, Gen Prachuap Suntharangkun, the minister of interior, held a meeting with senior officials, section heads, heads of state enterprises subordinate to the Ministry of Interior, and provincial governors in order to explain the policies of the Ministry of Interior and give them documents on these policies.

1. Policy on Maintaining Order in Society

The Ministry of Interior will uphold the laws and attach importance to controlling and suppressing crime. The operations units will coordinate activities. The principle of community relations will be used as the operations line in order to foster cooperation between state officials and citizens. The following will be done:

1.1. War weapons of all types and illegal sources of weapons will be suppressed resolutely and continuously.

1.2. Urban and rural communities will be encouraged to participate and play a role in controlling crime and accidents.

1.3. Urgent action will be taken to increase the efficiency of the officials and operations units involved in maintaining order.

1.4. Urgent action will be taken to solve the narcotics problem. The growing of narcotic plants will be eliminated, and narcotics producers and traffickers will be suppressed. Narcotics transport routes will be blocked, and chemicals used in producing narcotics will be intercepted resolutely and continuously. Also, support will be given to revising the narcotics law in order to increase the penalties for producers and traffickers. If it becomes clear that marijuana is being grown in an area for commercial purposes, the administrative and police officials in that area will be considered to be derelict in their duty. They cannot deny responsibility.

1.5. Urgent steps will be taken to control narcotics of all types, particularly in heavily populated zones and in the schools. Rehabilitation services will be provided for addicts who are the ministry's responsibility. Encouragement will be given to families and communities, and attention will be given to restoring the abilities of the addicts.

1.6. Equality of opportunity to receive fair treatment before the law will be promoted.

1.7. Urgent steps will be taken to revise the laws, regulations, and rules so that they support justice for the people and guarantee individual rights and freedoms.

1.8. The role of the administative sector in fostering justice will be promoted in order to prevent people who committed minor infractions or who committed a crime unknowingly from bring tried in court. This will lighten the state's burden in prosecuting cases in accord with the justice movement.

1.9. Urgent steps will be taken to relieve the crowded conditions at the jails and prisons.

2. Policy on Maintaining Internal Security and Reducing Social Factors

As a result of carrying on anti-communist operations based on the government's policy, the violence has declined greatly. It is now necessary to maintain the peace and carry on the struggle in order to win a permanent victory. The following will be done:

2.1. A political offensive will be launched, and the social factors will be reduced. Steps will be taken to build a democratic and just society. Efforts will be focused on improving the bureaucracy, eliminating the influences and dark powers, and eliminating poverty. Pressure will be put on the terrorists by improving the paramilitary forces and developing the mass forces to make them more efficient. Also, the people's organizations at the village level will be developed so that they have development and self-defense capabilities.

2.2. Urgent action will be taken to solve the problems in order to promote security in the southern border provinces. Psychological operations will be carried on regularly. An effort will be made to foster good understanding between government officials and the people. Economic and social development will be coordinated in order to eliminate poverty as soon as possible. The capabilities of the paramilitary forces will be strengthened so that they are capable of protecting the people everywhere.

2.3. A system of border activities will be formulated in order to protect the lives and property of the people in the area. Operations will be coordinated between the paramilitary and mass forces and the military. The civil disaster control system will be developed as appropriate. Economic and social development will be carried on in order to improve the standard of living of the hill tribes. This will reduce the security problem, help prevent the natural resources from being destroyed, and help stop the cultivation of narcotics plants.

2.4. Steps will be taken to control the number of refugees and prevent them from dispersing so that they do not pose a threat to the sovereignty and security of the country. Refugees will be intercepted and expelled. Their numbers will be reduced. Refugees will be registered, and the refugee centers will be supervised. These things will be done based on humanitarian principles. Help will be solicited from international organizations and friendly countries. They will be asked to help shoulder the burden for caring for the refugees and to help resettle more refugees in third countries.

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CSO: 4207/7

OPPOSITION MP'S ALLEGEDLY OFFERED MONEY

BK030159 Bangkok BANGKOK POST in English 3 Oct 86 pp 1, 3

[Text] Some Opposition MP's have been offered money to absent themselves during the no-confidence motion against Commerce Minister Surat Osathanukhro on Wednesday, Opposition leaders alleged yesterday.

Prachakon Thai leader Samk Sunthorawet said none of his opposition colleagues would take the money because such action could backfire on them politically.

Ruam Thai Secretary-General Piyanat Watcharaphon said the Opposition will make sure its 115 MP's attend Wednesday's session, which will deal with Pol Capt Surat's role in the Burmese log scandal. Opposition parties will be told during a preparatory meeting on Tuesday to check names, and any absentees will be made to explain themselves to their party.

Social Action Party [SAP] MP's Praphat Limpaphan and Prinya Chuaiplot said Pol Capt Surat was capable of defending himself without resorting to pay-offs.

Muan Chon leader Chaloem Yubamrung said Pol Capt Surat should resign before the debate or the Prime Minister should tell him to quit.

The log scandal implicated "several people close to the Prime Minister," he said, and Pol Capt Surat's action was against the Premier's policy. Sources said the Opposition has armed itself for the debate with information from former commerce minister Koson Krairoek, who vetoed the log import.

The Opposition may have difficulty mustering the 174 votes it needs to censure Pol Capt Surat, but Mr Piyanat said efforts are being made to sway a certain group of coalition MP's. The United Democratic Party, formed mainly by the rebels from the SAP, is working on some dissidents who remain in the party.

Community Action Party leader Bunchu Rotchanasathian said he had heard nothing about the pay-offs but called on MP's of both sides to stand by the national interest. Ministers can always make mistakes, said Mr Bunchu, and many government MP's will be convinced by the Opposition's case against Pol Capt Surat.

Mr Samak said Opposition MP's will meet on Tuesday to designate speakers on that day. The Opposition will also ask the House Speaker to let its MP's speak as long as they like depending on the content and information of their speeches.

The Prachakon Thai leader said pay-offs were not a new phenomenon in Parliament. During the 1 May House session, large sums of money were spent in buying pro-government MP's, which led to the dissolution of Parliament.

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CSO: 4200/22

OFFICIAL ON 'MAJOR REORGANIZATION' OF DEFENSE

BK290141 Bangkok BANGKOK POST in English 29 Sep 86 p 3

[Text] The Defense Ministry is laying down plans for a major reorganization which will increase the responsibilities of the Permanent Secretary's Office and the Supreme Command and lead to the privatization of some loss-ridden state enterprises.

The reorganization, ordered by Prime Minister Prem Tinsulanon as part of the Government's austerity programme, aims at doing away with unnecessary and non-profitable state enterprises and boosting the efficiency of the Armed Forces within the limited budget available, an official said.

Certain enterprises undertaken by the Defense Ministry, such as glass, battery, tanning, textile and preserved food concerns, will be privatized because the private sector turned in better profits, he added. Furthermore, keeping these enterprises under the wing of the ministry would unnecessarily drain its limited budget which could otherwise be used for more urgent projects, the official said.

The Supreme Command would also transfer the civic development work in rural areas to the other governmental units directly linked to this field of work.

Also under consideration was a proposal to dissolve the Pre-cadet School and let the three armed forces set up their own schools, said the official.

As regards to the Supreme Command and the Office of the Permanent Secretary, he said the two units should have a greater role in giving advice to the defense minister who may be a civilian and not a military officer.

He said it was necessary for a civilian defense minister to be aided by a team of officers to advise him on military matters.

Under the planned reorganization, the official said, all matters relating to policy, personnel, logistics and administration which were not linked to military operational affairs should be shouldered by the Office of the Permanent Secretary while the Supreme Command should look after the military operational area of work in coordination with the Army, Navy and Air Force.

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CSO: 4200/22

ARMY SPOKESMAN SAYS COMMUNIST INSURGENCY EBBING

BK261126 Bangkok NAEO NA in Thai 26 Sep 86 p 2

[Text] Colonel Banchon Chawansin, spokesman of the 4th Army Region, disclosed that communist insurgency in the southern part of Thailand has ebbed to its lowest point. As a result of their erroneous policy and strategy, the organization of the communist terrorists has crumbled and is unable to seize the state power. The communist terrorists are now behaving like ordinary bandits capable only of being a nuisance to the government.

He said: "There are now 170 to 230 armed communists still operating."

Touching on the separatists, Col Banchon said these groups of terrorists are not much different from the communists. Their number is estimated at 230 to 260. They have failed in their attempt to merge themselves into a mujahidin movement.

Meanwhile, there are 1,300 to 1,325 Chinese communist guerrillas in the southern region. They possess the similar capability in terrorism with the Thai communists during the period from 1981 to 1983. At present the government and 4th Army Region give special emphasis to the sweeping operations against them because these foreign guerrillas have been using our territory in waging a war against the neighboring country. Their presence in Thailand is detrimental to Thailand's economy and relations with the neighbor.

Col Banchon revealed that the 4th Army Region is in the process of returning the power taken from the administrative authorities during the fight with the communist insurgents because it has already defeated the enemy. He noted: "However, the 4th Army Region still has to closely supervise certain undertakings and, at the same time, speed up its effort to solve the problems."

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CSO: 4207/11

ARMY SEEK CLOSER TIES WITH MUSLIM COMMUNITY

BK060143 Bangkok BANGKOK POST in English 6 Oct 86 p 1

[Text] A fourth Army plan to foster better cooperation between the military and the Southern Muslim community has been approved in principle by the Army commander, sources said at the weekend.

They said Gen Cha Walit Yongchaiyut agreed in principle with a Fifth Division proposal to set up a consultative committee among Muslim leaders of the five border provinces. The board would foster better cooperation and understanding between the military and Muslim community, which makes up about 70 percent of the population of five provinces.

Certain areas of tension remained, they said, and the frequent reluctance to accept actions by the authorities could be overcome through the efforts of the board.

About 20 Muslim leaders were told of the plan by the Nakhon Si Thammarat-based division at a recent meeting in Songkhla. Members of various Islamic provincial committees are expected to be invited to join the board, but the structure of the body has yet to be decided.

Under the proposal, the military will consult the board before taking action. Since the board will be made up of Muslim leaders, military action or policy could be better explained to the people once accepted by the leaders.

The sources said one area in which the military is seeking clarification concerns donations of blood. They said the Muslim population in general donates very little blood. With such a board, the military could ask if there [as published] religious laws prohibit Muslims from donating blood.

Better cooperation would also help combat separatist activity, they said.

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CSO: 4200/22

AIR FORCE STAFF COLLEGE COMMANDER PROFILED

Bangkok LAENG KHAO in Thai 27 Jul - 2 Aug 86 p 29

[Text] Air Vice Marshal Pramote Veerutamasen, commander of the Air Force Staff College: Born 22 February 1932; from Supanburi Province; son of Mr Pook and Mrs Nom Veerutamasen; and graduate of the provincial secondary school.

He entered Bangkok to enroll at the Chulachomklao Royal Military Academy and is a Class 4 graduate, belonging to the same class as Major General Yutthana Yaempan, deputy commander of Army Region 1; Major General Wattanachai Wutthisiri, deputy commander of Army Region 1; and Major General Chao Kongpoonsin, who is attached to the Office of Undersecretary of the Ministry of Defense. After graduation, he joined the Air Force.

His important positions: He was chief of technical research, Directorate of Operations of the Air Force. In 1975, he was commander of Wing 4, Squadron 43. In 1977, he held the position of commander of Wing 21, Ubon Ratchathani Province. In 1980, he was transferred to the position of chief of staff of the Flight Training School. In 1981, he was military attache of the Thai embassy in Manila, the Philippines. In 1984, he returned to become deputy commandant of the Air Command and Staff College. In 1985, he moved up to take the position of commandant of the Air Command and Staff College.

Additional education: He has attended educational institutions both in this country and overseas. Examples: U.S. Air Force Staff College; Army Staff College, Class 50; and Army Operations College, Class 30.

Air Vice Marshal Pramote Veerutamasen is married to Ploenphit Bamrungchai. They have two children.

12282/12379
CSO: 4207/320

SPECIAL WARFARE DEPUTY COMMANDER PROFILED

Bangkok MATICHON SUT SAPDA in Thai 10 Aug 86 p 16

[Text] Major General Tanapon Punyopatsadam, deputy commander of the Special Warfare Force, was born in Bangkok on 2 April 1934. He is 52 years of age. He graduated from the Wat Ratchabopitpimuk Secondary School in Bangkok. He then took and passed the entrance examination of the Chulachomklao Royal Military Academy. He was a military cadet, Class 4.

He graduated from the Chulachomklao Royal Military Academy in 1957 and, as an acting second lieutenant, became a platoon leader at the Armored Specialist Training School. Later he became a platoon leader with the Fifth Armored Calvary Squadron, which is the same squadron that Lieutenant Colonel Prem Tinnasulanon (his rank at the time) commanded. In 1959, he went to the United States to attend the Infantry Commander School at Fort Benning, Georgia. He also went on a study-tour at Fort Lewis, Washington. In 1960, he took courses on jungle combat in Malaysia. And in 1963, he attended the Cavalry Squadron Commander School in Sara Buri Province.

Then he was transferred to become officer of operations and combat and commander of the Second Cavalry Squadron at the Chakrapong Camp, Prachinburi Province. He also attended the Army Staff College. Upon graduation, he was transferred to the Sitthiprasong Camp in Ubon Ratchathani Province.

In 1966, he moved up to become chief of staff of the Second Cavalry Regiment. In 1967, he was commander of an independent company in Korea, Rotation 20, and was able to excel in his performance in the Snow Ball exercise, for which he was praised. The United States then nominated him as a candidate to study at Fort Leavenworth before his return from Korea. In 1977, he was appointed deputy commander of the Second Cavalry Regiment. In 1981, he became deputy chief of staff of the Fourth Army Region. In 1983, he was appointed chief of staff of the Fourth Army Region, and in 1984, he was transferred from the south to become deputy commander of the Special Warfare Force in Lopburi Province.

He is a career military officer with a bright future because he still has many years left before his retirement. And at present, he is well respected by both his subordinates and his superiors in the Special Warfare Force, including Lieutenant General Sunthorn "Big George" Kongsomphong, commander of the Special Warfare Force.

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CSO: [illegible]/320

BUDGET BALANCING, BORROWING DISCUSSED

Bangkok DAILY NEWS in Thai 12 Aug 86 p 3

[Text] An additional loan has been sought to cover the 1986 budget. The main reason is the tax revenue shortage of 20 billion baht. What is more, quick-minded government agencies rushed to spend their money because they know that if they waited until the end of the year, their budget would be slashed. They rushed to submit proposals for urgent consideration by the new minister of finance.

Mr Pandit Bunyapana, comptroller general of the Comptroller General's Department, which oversees the money matters of the government, disclosed that his department is urgently putting all the financial and fiscal figures together to be submitted for consideration by the new cabinet, so that a new loan could be acquired to cover the 1986 budget, in addition to the 46 billion-baht loan that had already been acquired. This is to compensate for the budget deficit. The original loan proposal was 33 billion baht, but an additional 13 billion baht have been requested, bringing the total to 46 billion baht. This is because of many types of necessities.

The comptroller general of the Comptroller General's Department pointed out that the reason for an additional loan for 1986 is that, originally, the goal was for the departments responsible for the collection of a total of 185 billion baht in taxes; but after reviewing the actual figures so far, it is estimated that the total taxes will be only 162 billion baht, or about 23 billion baht short of the original target. Besides, the requests for expenditures of money by the government agencies have been made very quickly. "Normally, by this month about 82-83 percent of the spending budget would be dispensed. But this year that figure has gone up to 85 percent, which is very high," said Mr Pandit, who added that it was also partly because the Budget Office has been precise in its allocation of the budget and the Comptroller General's Department itself has been strict in dispensing money for expenses beyond the fiscal year and asks that expenses be made only within the limit of the budget already approved, so that there will be no long-term problems. "This will result in subsequent problems of managing the national finances because the budget deficit will increase. We are looking into the problem to find out how much more money we need to borrow if we were to maintain some 7-8 billion baht in the comptroller general's account at the close of the spending account at the end of the fiscal year," said Mr Pandit.

As for getting an additional loan for the fiscal year, the report said that according to the law, the Ministry of Finance can borrow only 20 percent of the total budget to cover the budget deficit, plus 80 percent of that portion of the principal which is being returned to pay off the loan. However, the additional loan must not exceed 8 billion baht while the collection of taxes still does not meet its goal and while the budget deficit can be as high as 10 billion baht. It is, therefore, an urgent matter which the new minister of finance and the new cabinet must decide what to do.

As for the 46 billion-baht loan that has already been approved, 4.7 billion baht have not yet been made available. This remaining amount of the loan will be made by means of selling government bonds and borrowing from the government savings banks. And it has been determined that 2 billion baht will be borrowed from the government savings banks, and the other 2.7 billion baht will be acquired by means of selling the government bonds. The tax collection by the Revenue Department is 3 percent, or about 1 billion baht, short of the department's goal. It is now urgently collecting this remaining amount.

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CSO: 4207/320

BANK LOANS TO AGRICULTURE SECTOR SHORT OF GOAL

Bangkok SIAM RAT in Thai 28 Aug 86 p 6

[Unattributed report: "Bank Credits to Agricultural Sector Below Target"]

[Text] The Bank of Thailand revealed that during the first 6 months of the year, commercial bank credits to farmers increased only 200 million baht, or only 0.34 percent. This is far below the target. Preparations are being made to raise the ceiling on agricultural credits in the Sixth Plan. These credits will also cover workers in the Middle East and rural development.

Mrs Praphaphim Sakuntaphai, the chief of the Office of the Secretary, Bank of Thailand, stated that the 1986 target for extending credit is 13 percent of total deposits. That amounts to 71,319.9 million baht, of which 60,347.6 million baht are direct agricultural credits and 10,972.3 million baht are agricultural business credits.

However, the commercial banks still have 60,412 million baht in credits that have to be loaned this year. Of this amount, 38,539.5 million baht are direct agricultural credits. Another 11,112.8 million baht are loan funds that the commercial banks have not been able to loan through the Bank for Agriculture and cooperatives. The remaining 10,759.7 million baht are agricultural business credits.

Looking at the amount left over at the end of 1985 and the additional amount of credit to be extended during the first 6 months of 1986, the commercial banks released an additional 2,262.2 million baht--1,240 million baht to the agricultural sector directly and 1,022.2 million baht to agricultural businesses.

Mrs Praphaphim said that the commercial banks have extended rather small amounts of credit to the agricultural sector. The amount increased only 3,959.1 million baht as compared with 1985. Of this, 2,261.1 million baht was loaned directly. A total of 2,051 million baht was loaned to the sugar cane and sugar companies; 9.6 million baht was loaned to rice mills in accord with the project to raise rice prices.

"Actually, during the first 6 months of the year, the commercial banks increased credits by only 200 million baht," said the chief of the Office of the Secretary, Bank of Thailand. The commercial banks must still release an additional 13,170.5 million baht in loans. Thus, they are far short of the goal.

Total sector credits extended by the commercial banks during the first half of the year fell 0.4 percent. Considering only agricultural credits, credits increased 4 percent (2,262.2 million baht). But if the credits to the sugar cane and sugar companies are not included, the increase was only 0.34 percent.

The seven foreign banks operating in Thailand extended 609.1 million baht in credits through the Bank for Agriculture and Cooperatives and made direct loans totaling 257.3 million baht.

Mrs Praphaphim also said that the agricultural credit ceiling of 13 percent of deposits will come to an end at the close of the Fifth Plan period. The matter of raising this ceiling will be considered in 1987. At the same time, officials will also consider the suitability of having agricultural credits include agricultural extension occupations, such as labor in the Middle East and rural development.

11943
CSO: 4207/7

BUDGET BILL PASSES HOUSE'S FIRST READING

BK020115 Bangkok BANGKOK POST in English 2 Oct 86 pp 1, 3

[Excerpt] The 227,500-million-baht Budget Bill sailed through its first reading late last night after a marathon debate punctuated with blistering broadsides from the Opposition.

The fiscal 1987 budget was passed by 206 to 89 after a 14-hour debate which came to a halt when Chat Thai MP Chanchai Pathumrat asked the floor for a vote to close the meeting. Mr Chanchai's motion was contested by Community Action Party MP Wasana Bunphuphantanti, who demanded the debate continue, but a vote was called and the meeting was closed by 200 votes to 88.

A 52-member committee comprising representatives from the Government and the Opposition was set up to scrutinize the Budget Bill before it is resubmitted to Parliament for the second and final readings.

The debate, which started at 9:30 am, saw opposition MP's attacking the bill on various points. They said the proposal did not conform with the Government's policy statements and criticized the use of extra-budgetary loans and finance which do not require House approval, and alleged lack of results from previous budget expenditures.

The secret funds of the Prime Minister's Office and the Armed Forces, the defense allocation, which accounts for 19.7 percent of the total budget, and the 24.7 percent set aside to pay interest on loans were also the main target of criticism.

Social Action Party deputy leader Kasem Sirisamphan said the House of Representatives lacked the manpower, equipment and information needed to effectively control the Government. Most MP's, he said, merely played with words in criticizing the Government without knowing the facts.

The 191 million baht allocated for the Parliament Secretariat was too small to improve the efficiency of Parliament. Amid growing protectionism and the copyright issue, Parliament must be better equipped to handle complex issues, said Mr Kasem.

Breaking from the tradition of frequently chaotic and repetitive budget debates, yesterday's deliberations were orderly, with opposition MP's tackling specific areas.

/12858
CSO: 4200/22

LOW PRIORITY GIVEN TO EASTERN SEABOARD PROJECTS

BK300139 Bangkok BANGKOK POST in English 30 Sep 86 p 13

[Excerpt] The Eastern Seaboard Development Programme is likely to be further delayed as the Finance Ministry has given low priority to three major projects in the programme, a highly-placed informed source told the BANGKOK POST yesterday.

The three projects are the Laem Chabang and Map Ta Phut deep-sea ports and the Map Ta Phut industrial estate and community project.

The low priority is in the plan to acquire loans from the 13th Yen Loan Agreement. Because of the low priority, it is very unlikely that the three projects will be implemented during the period of the 13th Yen Loan, covering fiscal years 1987-1988.

The three projects, which need to borrow US$80 million (about 2,080 million baht), will only be allowed to get loans after other high-priority projects are delayed, postponed or scrapped. However, the Fiscal Policy Office will have to submit the proposal to the External Debt Committee, chaired by Finance Minister Dr Suthi Singsane, for final consideration.

In another related report, Communications Minister Banhan Silapa-acha disclosed that Dr Suthi and Dr Sano Unakun, secretary general of the National Economic and Social Development Board, had promised to help revive the Laem Chabang deep-sea port project.

The source said that if Dr Suthi would help to revive the Laem Chabang port project as promised, he could make changes to the priority-ratings of the projects requiring yen loans during the meeting of the External Debt Committee, scheduled after the endorsement of the budget bill by the Parliament.

The budget bill is expected to be considered by the Parliament this Thursday.

/12858
CSO: 4200/22

GOVERNMENT AGREES TO INVEST IN TANTALUM PROJECT

BK030129 Bangkok BANGKOK POST in English 3 Oct 86 p 30

[Text] The Government has agreed to invest about 20 percent of the total cost or about 175 million baht in the tantalum processing plant project as recommended by the Industrial Finance Corporation of Thailand (IFCT), a senior official disclosed yesterday.

Industrial Works Department Deputy Director General Chen Bunsong said that a subcommittee, chaired by Permanent Secretary for Industry Dr Praphat Chakkaphak, which was set up to seek possible assistance to help revive the controversial project, accepted the feasibility study conducted by IFCT.

The IFCT study shows that the tantalum project with its return of 17 percent of the investment per year is feasible for implementation. However, its return is expected to drop sharly to about 3 to 4 percent a year if the cost of the damaged tantalum plant in the island resort of Phuket is taken into consideration. But the project is still considered favorable for investment, it was ruled.

But Mr Chen said the tantalum project will be considered feasible if all creditors of the Thailand Tantalum Industry Corp, the project promoter, agreed to transform all debts as the company's share equity and the Board of Investment scraps the 4.4 percent tax levied on the export of tantalum.

In addition, the government should invest about 20 percent or about 175 million baht in the project, including the cost of land for the setting up of the tantalum plant which will be provided by the government.

The new plant, projected to cost about 1,000 million baht, will be viable if the Finance Ministry was able to secure a soft loan of about 450 million baht for the company. The loan should carry a low interest rate with a 10-year grace period and 20 years of repayment period.

The company would also raise its 50 percent remaining registered capital if the company wanted to proceed with the project.

Mr Chen said the meeting also appointed Department of Mineral Resources' Director General Siwawong Changkhasiri to consider the most suitable site for the construction of the new tantalum plant.

The company recently approached Industrial Estate Authority of Thailand to set up its plant in the industrial estate at Map Ta Phut on the eastern seaboard province of Rayong.

/12858
CSO: 4200/22

DAILIES VIEW GOVERNMENT'S DECISION ON COPYRIGHTS

BK181339 [Editorial Report] On 17 and 18 September three Thai language dailies--SIAM RAT, NAEO NA, and MATCHON--carry editorials commenting on the decision made by the cabinet on 16 September to amend the copyright law to protect the U.S. intellectual property rights and to provide greater market access for U.S. soybeans.

The page 8 SIAM RAT editorial on 17 September entitled "The Uncompromising Patent Issue," says that the cabinet's decision to amend the copyright law, ease the tariff barrier for U.S. soybeans, and draft a bill on trademark protection was made at the request of the United States in exchange for the maintenance of preferential treatment for Thai exports to the United States under the generalised system of preferences. The THAI RAT editorial continues: "In fact, the United States has asked for many more things such as wider opportunities for U.S. investment, registration of U.S. food and pharmaceutical products, and more importantly, protection of U.S. intellectual property as well as the medicine patent. The medicine patent, in particular, is the most fearsome for Thailand, because as an underdeveloped nation it has to depend on foreign technology and if a patent right is given to one country or company, the chance for the Thai pharmaceutical industry to be further developed will be completely lost."

The page 4 NAEO NA editorial on 18 September entitled "The Lost Consciousness" says that "it is very depressing to hear that the cabinet had decided to yield to the U.S. pressure by agreeing to amend the copyright law, draft a bill for trademark portection, and provide more conveniences for the United States to export soybeans to Thailand while the United States is employing drastic protectionist measures against our country." The editorial notes that "the current feeling of the general public regarding the long-standing relations between Thailand and the United States is that our country has been unilaterally and deeply loyal to our friend. The United States has done many things which have adversely affected the Thai people's interests. For example, the U.S. Farm Act has resulted in the fall of our rice prices. The United States has not listened to our outcry when it dumped its sugar on the market. Ironically, when the United States wants something from us, the government will quickly and diligently respond."

The paper continues: "At present, the United States only thinks about its own interests while neglecting the problems and crises which are now plaguing its friends like Thailand. Meanwhile, our politicians, technocrats, and government officials seem to lack the consciousness in defending the country's interests; it seems that they are all dominated. Campaigns and news dissemination to activate the consciousness among people to defend our national interests have now become the top priority in our country. Government officials, technocrats, and politicians must play an active role in this regard so that government will be mindful and map out both official and unofficial strategies to tackle the problems. Otherwise, when a problem arises, we will be left in a disadvantageous position with limited choices."

The page 6 MATCHON editorial on 18 September entitled "The Protection of Intellectual Property" notes that during the current GATT ministerial meeting in Uruguay, the industrialized countries will propose the protection of intellectual property rights to be included in the agenda. At the same time, agricultural countries are planning to use this issue to bargain for the halt of agricultural subsidies in the developed nations. The editorial says that the Cabinet's decision to amend the laws to protect the copyrights of U.S. goods is an "unnecessarily premature" act that can harm the multilateral negotiations at the GATT meeting. "Other industrialized nations can also ask Thailand to amend the laws so that they enjoy the same treatment as the United States."

Stressing that the protection of intellectual property rights can be used to increase Thailand's bargaining power with other countries, the editorial says that as the government is working on amending the laws concerned before seeking approval from the Parliament, Thailand still has time to think about the matter. "Government officials and people concerned must be awake and try to relate all movements made by the industrialized nations led by the United States to the questions of the intellectual property rights and the world's changing economy. The rich countries are making their last-ditch effort to enable them to continue to use their intellectual property as a tool to dominate and exploit their underdeveloped counterparts. It is apparent that poor countries like Thailand have never learned anything from such a repeated lesson."

/12858
CSO: 4207/11

BRIEFS

PREM ADVISER QUITS BANK--Wiraphong has resigned from the board of the national bank. He will probably be replaced by someone from the private sector. A report from the Ministry of Finance stated that Dr Wiraphong Ramangkun, an advisor to the prime minister, has resigned his position as a member of the board of the Bank of Thailand. He has already submitted his letter of resignation to Mr Suthi Singsane, the minister of finance. Mr Wiraphong said that he was resigning because he has been appointed advisor to the prime minister. He can no longer serve on the board of the Bank of Thailand, because that would be a violation of the State Enterprise Act. The report stated that Mr Suthi will appoint a replacement and inform the cabinet. "It is thought that he will appoint someone from the private sector to replace Dr Wiraphong." [Text] [Bangkok SIAM RAT in Thai 29 Aug 86 p 6] 11943

OUTGOING BRAZILIAN AMBASSADOR--On 26 September Brazilian Ambassador Paulo da Costa Franco called on Parliament President Ukrit Mongkhonnawin at parliament building to bid farewell upon completion of his assignment in Thailand. [Excerpt] [Bangkok Television Service in Thai 1300 GMT 26 Sep 86 BK] /12858

NEW PHILIPPINES AMBASSADOR--On 26 September (Joshua Alvilla), new Philippine ambassador to Thailand, paid a courtesy call on Deputy Prime Minister Phichai Rattakun. They discussed strengthening of Thai-Philippine relations. [Summary] [Bangkok Domestic Service in Thai 1300 GMT 26 Sep 86 BK] /12858

SONTHI SEES INCREASED TRADE WITH LAOS--Regarding calls for elimination of obstacles to trade between Thailand and Laos, particularly in regard to the 273 items Thailand views as strategic goods, Deputy Prime Minister Admiral Sonthi Bunyachai told SIAM RAT recently that he saw no reason to oppose the call for more open trade with Laos because we stand to gain two things--improved bilateral ties and more income. Regarding the fear that Laos may not have cash and, therefore, purchases will have to be through credits, Sonthi said if Laos does not have cash it cannot buy products from third countries either. He said Laos has many products which Thailand could use. If Laos really does not have cash it can trade with Thailand in the counter trade or barter trade system. The Thai Government has been supporting these trade systems. Regarding any security threat from Laos, Sonthi said it is up to the Thai people to take precautions to prevent such threat. [Excerpt] [Bangkok SIAM RAT in Thai 25 Sep 86 pp 1, 2 BK] /12858

GDR ENGINEERING DELEGATION TO VISIT--U. Grande, East German deputy minister for electrical engineering and electronics, and his party will pay a visit to Thailand from 8 to 11 October. During the visit, Mr Grande will meet with the Thai deputy minister for science, technology, and energy as well as other senior Thai officials responsible for energy affairs. [Text] [Bangkok Voice of Free Asia in English 1500 GMT 29 Sep 86 BK] /12858

ASSISTANCE FROM CANADA--Canada and Thailand signed a 232 million baht memorandum of understanding for the (?purchasing) of equipment and related services for upgrading Thailand's remote sensing ground station at Lat Krabang. The funds are being provided by the Canadian International Development Agency. [Excerpts] [Bangkok Voice of Free Asia in English 1500 GMT 30 Sep 86 BK] /12858

AGRICULTURAL EXPORT ECONOMIC ZONES--Chanthaburi, Chachoengsao, Chiang Mai and Songkhla will be designated economic zones for agricultural exports to help farmers hit by low prices. Agriculture Department Chief Yukti Sarikaphuti told Deputy Agriculture Minister Prayut Siriphanit yesterday that Thailand's agricultural growth was slow because of low demand and prices in importing countries. He said that farmers who seek help in the economic zones would receive technical advice on making their goods suitable for export. Mr Yukti said farmers wishing to join the project must register what kinds of crops they wished to grow. Officials will advise them on the kinds of crops that are easiest to export, the proper seeds to use, farming techniques, and packaging. He said the department would urge farmers to check their exports before shipping them so they would not be delayed at customs checkpoints and to avoid damage to the goods. He said that agricultural export problems could be solved if the authorities concerned would meet to find ways to help the exporter. [Text] [Bangkok BANGKOK POST in English 30 Sep 86 p 3 BK] /12858

THAILAND, POLAND AGREEMENT--Thailand and Poland have agreed to enter into a joint venture to build fish patrol vessels. Mr Plotprasop Suratsawadi, deputy director general of the Ministry of Agriculture's Fisheries Department, who revealed the plan yesterday, said the department agreed to the plan after the government of Poland informed its acceptance of this joint venture project. Under the joint venture, he said, the department would require technology from Poland, but the ministry is hoping to use 100 percent local content in manufacturing these vessels. Poland's decision was conveyed to Deputy Minister Suthep Thuaksuban while the commercial officer of Poland here will coordinate the plan with the department later. The Thai government had met with the deputy minister of foreign trade of Poland several months ago when Poland offered a barter trade contract with Thailand, exchanging agricultural products with machinery from Poland. In a follow-up meeting, Thailand proposed to exchange agricultural products with Poland's fish patrol vessels. [Text] [Bangkok BANGKOK POST in English 3 Oct 86 p 30 BK] /12858

HELICOPTER PURCHASE REMAINS UNCERTAIN--New Navy Commander-in-Chief Admiral Thada Ditthabanchong repeated the Navy's decision to buy five Bell 214st helicopters directly from the manufacturer. Admiral Thada made this [word indistinct] as he took over as commander-in-chief in a brief ceremony at the navy headquarters last Wednesday. The new navy chief said a direct deal with Bell Helicopter Textron Inc will benefit the country and saves about 103 million baht. He said he will refer the matter to the defense ministry for reconsideration. In the meantime, Defense Minister Phaniang Kantarat said he will wait for a navy report and will consider the matter thoroughly. However, he explained that the Bell 214st's are commercial and not military helicopters. [Text] [Bangkok Domestic Service in English 0000 GMT 3 Oct 86 BK] /12858

THAI-MALAYSIAN BORDER MEETING--The military pressure against the Communist Party of Malaya's guerrillas along the Thai-Malaysian border is likely to succeed soon. The Thai-Malaysian Regional Border Committee meeting was held last Wednesday at Senanarong Camp by 4th Army Region Commander Lieutenant General Wanchai Chitchamnong. Lt Gen Wanchai said that the meeting agreed that the joint operations by the security forces against the communist guerrillas from last February to July were satisfactory. He said a series of operations, both coordinated and unilateral, by the Thai and Malaysian forces were the military-strategic pressure to cause disruption to the communist terrorist operations. Lt Gen Wanchai said the strategy is to bring in some development into the areas where the CPM used to stay by constructing roads to such areas and arranging the land seized from the guerrillas for people's living. He said during the 6-month period, the security forces of both countries successfully eliminated 35 communist terrorists and recovered an assortment of weapons and ammunition. Besides, 35 camps and 11 vegetable plots were discovered. Lt Gen Wanchai emphasized the importance of the military pressure strategy which he believed would yield a satisfactory result soon. [Text] [Bangkok Domestic Service in English 0000 GMT 3 Oct 86 BK] /12858

REFUGEES FLEE BURMA FIGHTING--Tak--About 300 Thai-speaking Burmese crossed the border into Mae Sot District yesterday. Local officials immediately sent defense volunteers to supervise the refugees, some of whom are staying with Thai relatives. The refugees, all from the Burmese border village of Sanpa Rai, said they had fled fighting between Burmese troops and minority rebels. One of the group, 42-year-old Mrs Buaphan Nampan, said the fighting had intensified and that Sanpa Rai was not deserted. She lost a leg earlier this year after stepping on a mine. There are now 2,800 Thai-speaking Burmese refugees in the province, some of whom arrived in 1974. [Text] [Bangkok BANGKOK POST in English 5 Oct 86 p 3 BK] /12858

PROGRESSIVE PARTY LEADERS--Uthai Phimchaichon was yesterday re-elected as Progressive Party leader and Dr Decha Sukharom becomes secretary-general. A party meeting also picked six deputy leaders and a 45-member executive committee. The six deputies are Bunkoet Hiranyakham, Borom Tanthian, Kraisorn Nanthamanop, Kaeo Buasuwan, Sanit Chongsakun and Thongchai Nithisukkamon. [Excerpts] [Bangkok BANGKOK POST in English 5 Oct 86 p 3 BK] /12858

PIRACY COMMITTEE SET UP--Prime Minister Prem Tinsulanon has appointed a new committee to deal with the problem of piracy. The 22-man committee is headed by the secretary general of the National Security Council. Its members include representatives from the armed forces and several government agencies. The committee is entrusted with the responsibility of formulating a policy to solve the piracy problem. It has been told to eliminate pirates preying on fishermen, and particularly boat people, to improve Thailand's image and strengthen national security. [Text] [Bangkok Domestic Service in English 0000 GMT 5 Oct 86 BK] /12858

ASEAN LEGAL EXPERTS TO MEET--ASEAN legal experts and justice ministers will meet in Bangkok next month to discuss means to fight protectionist legislation by developed countries. A Justice Ministry spokesman said the 15-19 November meeting would be attended by legal experts and ministers from Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. The meeting would look into removing laws restricting trade and economic cooperation among ASEAN members. [Text] [Bangkok BANGKOK POST in English 6 Oct 86 p 86 BK] /12858

FARM ACT AFFECTING CORN EXPORTS--Thailand is expected to lose about 400 million baht in income from maize exports this year as a result of the enforcement of the United States Farm Act. The Business Economics Department also forecast that the trade prospects for Thai maize exporters will be bleak next year due to fierce price competition. Thailand is expected to have about 3 million metric tons for export next year. This year's maize exports are expected to total about 3.2 million tons. Thailand exported about 2.4 million tons of maize worth about 6 billion baht in the first 8 months of this year. However, since August the price of maize abroad has been falling due to the enforcement of the United States Farm Act. Thai maize exports for the rest of this year are expected to be about 818,000 tons. But, now the price of maize abroad is only 2,040 baht per ton, 484 baht lower than the prices prevailing in the first half of this year, and Thailand stands to lose about 400 million baht in income. [Text] [Bangkok Domestic Service in English 0000 GMT 27 Sep 86 BK] /12858

MP'S TO COUNTER 'U.S. PROTECTIONISM'--Members of Parliament should play a more serious role in countering the United States' protectionist legislations, it was agreed yesterday at the meeting of assemblymen who are members of the International Parliamentry Union. The meeting was chaired by Parliament President Ukrit Mongkhonnawin. The members of Parliament agreed that parliamentarians should make a full use of each international meeting. They should closely cooperate with their fellow IPU members from other countries in putting pressure on American parliamentarians. "The U.S. protectionist laws were passed by the Congress, so we should make their members, who are also members of IPU, aware of the impact the laws have on our country's economy," Khlaeo Norapati, Community Action Party MP for Khon Kaen, said. Col Somkhit Sisangkhom, Labour Democratic Party MP for Udon Thani, said that the MP's should regard the international meetings of parliamentarians as a good opportunity to make good use of their role and assert their influence. "In the past, we tend to regard it (international meeting) as a leisure occasion and an opportunity to travel and have some fun, we should change that attitude now," Col Somkhit said. Bangkok MP of Prachakon Thai Party Rear Adm Kumut Kammonnawin also said the parliamentarians should play a bigger role in countering such U.S. laws. [Text] [Bangkok BANGKOK WORLD in English 27 Sep 86 p 3 BK] /12858

CSO: 4200/22

BRIEFS

RETURNEES IN SIEM REAP-ODDAR MEANCHEY--Phnom Penh SPK 1 October--In September, 119 misled people broke with Khmer Reactionary forces and rallied to the revolutionary power in Siem Reap-Oddar Meanchey Province, bringing along 70 guns and a quantity of ammunitions. Among the returnees, 99 were Polpotists and the rest were Sonsannians and Sihanoukists. They were granted full citizenship and necessities to embark on a new life. [Text] [Phnom Penh SPK in English 1100 GMT 1 Oct 86 BK] /12858

MISLED PEOPLE RETURN--Phnom Penh SPK 3 October--In September, 211 misled people with 135 guns reported themselves to the revolutionary authorities throughout Kampuchea, bringing the total number of returnees in the past three quarters of this year to 3,746. The biggest return in that month was seen at Kompong Thom Province with 31 ralliers who brought with them three firearms. Besides, in the first six months of this year, according to the complete statistic of the National Commission for Conversion of the Misled, founded in 1984, 2,912 people intoxicated by enemy propaganda came over to the revolution. Those returnees, who took with them 1,602 assorted guns, included 1,618 Polpotists, 1,026 Sonsannians and 172 Sihanoukists. Among the returned, who came over to the revolution in the first half, there were a brigade commander, a regiment commander, 13 battalion commanders, 25 company commanders and 16 platoon leaders. [Excerpt] [Phnom Penh SPK in English 1116 GMT 3 Oct 86 BK] /12858

CSO: 4200/22

HO CHI MINH CITY POSTS, TELECOMMUNICATIONS OFFICE ROBBED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 1 Aug 86 p 4

[Article by C.V.: "Three Robberies at Municipal Posts and Telecommunications in July']

[Text] Monitoring the modus operandi of a bad gang, in July 1986, the men and women who guard the municipal posts and telecommunications discovered and promptly stopped three robberies of underground cable and telephone wire lead cable sheathing taken to sell on the outside.

On 4 July 1986, Vo Hoa Binh, who works at the Telephone Center's 2 September Underground Cable Unit, sold to the Thu Duc Agricultural Machinery Repair Shop 979 kilograms of lead cable sheathing at a price of 105 dong per kilogram. Previously, Vo Hoa Binh had also sold to a machine cooperative (on Tu Duc Street (old), Precinct 1) 934 kilograms of lead cable sheathing at a price of 70 dong per kilogram.

In the second incident, taking advantage of the repair of telephone cable on Tran Hung Dao Street, Huynh Quang Hien and six others in the group (belonging to the 2 September Underground Cable Unit) connived to take 112 pairs of underground cable (a type of cable made from lead) near the old Saigon railroad depot (on the side of the Quach Thi Trang piggy bank). These pairs of lead cable sheathing weighed 85 kilograms. Hien sold it at a price of 30 dong per kilogram and had spent 550 dong in all when discovered. At Huynh Quang Hien's home, the security section of the municipal posts and telecommunications also recovered 38 meters of copper wire (approximately 70 kilograms valued at 40 dong per kilogram) and 60 other kilograms of lead cable sheathing (priced at 70 dong per kilogram) together with 2,000 dong in cash which had not been divided up.

Through the two above instances, the security section of the municipal posts and telecommunications recovered for the state material valued at 176,725 dong. The board of directors and trade union of the municipal posts and telecommunications has decided to begin granting a reward of 2,000 dong to the men and women who directly stopped the two robberies of socialist property.

Recently, at 1600 on 29 July 1986, a criminal report was filled out at the security section of the municipal posts and telecommunications when a Peugeot, license number 52A.10 90, driven by Pham Van Ba arrived at the intersection of Mac Dinh Chi and Nguyen Dinh Chieu, Precinct 1, where it was stopped by security. In the car was 714 kilograms of telephone cable made from copper and 120 kilograms of plastic tubing.

The material just mentioned was to be sold to Giang To Ha at a price of 40,560 dong. And there were even papers issued which looked in order, such as "transfer of copper cable sheathing savings," an application, a warehouse issue slip, introductory papers from the people's committee of subward 8, precinct 11, and a contract from the Dat Hung Production Unit with the nice sounding words "to have raw material for production to help complete the plan to contribute to building the country." Two transport workers escaped.

Public opinion awaits the board of directors and the trade union of the municipal posts and telecommunications sector together with the security section to examine and prosecute from beginning to end the cases just cited.

6915
CSO: 4209/841

JUVENILES STEAL CEMENT OFF TRUCKS IN FRONT OF CEMENT PLANT

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 1 Aug 86 p 2

[Article by Tran Thai Hoa, Thu Duc District, in the column "Saigonese Forum": "Theft of Cement in Front of Ha Tien Cement Plant Continues"]

[Text] Going to pick up cement at the Ha Tien Cement Plant is always a concern and bother for customers. Each time a cement truck leaves the gate of the plant, dozens of people (mostly children) instantly jump up to poke holes in the bags or to push bags of cement down to the street. The surrounding people just stare, and the driver can't stop them.

We learned that there is a "band" here making a living illegally. They give a price to the teenagers. If they jump up on the truck to push a bag of cement off to the ground, they get 200 dong; if they poke a hole in the bag to get cement, they will get money based on the weight of the cement obtained. There are other people who are concerned with hiding or dispersing cement. Even more worthy of note is when the driver and transport personnel speed up the truck, a number of kids rush in to block it, forcing the driver to stop or swerve to avoid an accident. A number of speeding trucks have had windows broken by thrown rocks.

For a long time, newspapers and radio have cited this problem many times and placed responsibility with the local administration. But because eradication is done only through a loudspeaker and is not thorough, a few days later they are back again. Now theft of cement like above has reached an alarming level. We hope the Thu Duc District public security organization and local administration quickly take steps to stop this theivery to protect socialist property and to keep children from going down this dangerous road of crime and possibly death.

6915
CSO: 4209/841

NHAN DAN MARKS NUREMBERG TRIAL ANNIVERSARY

OW010851 Hanoi VNA in English 0708 GMT 1 Oct 86

[All quotation marks as received]

[Text] Hanoi, VNA 1 October--Vigilance over the schemes of neo-fascism and awareness of the need of peaceful co-existence among the different socio-political systems are the two main lessons of the Nuremberg trial, says NHAN DAN in a commentary today, marking the 40th anniversary of the ending of the Nuremberg trial and the upcoming Moscow international conference on its lessons.

The paper says: "After the victory over Nazi fascism, mankind shared the hope that the final verdicts of the tribunal had put a definitive end to fascism. Yet, with the assistance and encouragement of imperialism, the neo-fascists have, over the past decades, emerged in many parts of the world like venomous snakes. They have become very active, declared their readiness to oppose democracy, intensified their racist policy and put forth revanchist claims.

According to the WASHINGTON POST, more than 50,000 former members of the Nazi remain in the world, 10,000 of them living in the United States.

The particular attributes, ideology and practices of fascism are alive in many parts of the world. This is racism, of all denominations, rabid anti-communism and racial discrimination in all forms...to the names which once wrenched the heart of mankind such as Lidice, Katyn, Oswiecim, Oradour...many more have been added: Son My Village, the Central Stadium of San Chicago, Sabra, Shatila, Soweto..." NHAN DAN goes on: "The great victory of the Soviet Union and other anti-fascist forces over fascism and the success of the Nuremberg trial are of great significance not only in that it has eliminated fascism and warned mankind to heighten vigilance but also in that it has affirmed the great principle of peaceful co-existence among different socio-political systems in the world."

/12858
CSO: 4200/23

VNA REPORTS MAIN SEPTEMBER EVENTS IN SRV

OW022030 Hanoi VNA in English 1500 GMT 2 Oct 86

[Text] 1 September--A grand meeting was held here to mark the 41st anniversary of the August Revolution (30 August) and National Day (2 September).

- Representatives of Vietnam and the United States held a meeting here to discuss the issue of Amerasian children in Vietnam.

2 September--The 1986 cycling race sponsored by the Vietnam Peace Committee closed in the central Vietnam Province of Quang Nam - Dang Nang.

4 September--Vice President of the State Council Nguyen Huu Tho delivered his speech at a plenary meeting of the 8th Non-Aligned Summit, held in Harare, Zimbabwe on 1 September.

5 September--A symposium under the theme "Buddhism and Peace" was held here in response to the UN-sponsored International Year of Peace and the Vientiane declaration of the 7th meeting of the Asian Buddhist Conference for Peace (ABCP).

6 September--Vietnam returned to China 27 Chinese citizens captured while illegally intruding into Vietnamese territory.

- Storm "Wayne" hit Vietnam's northern provinces, causing substantial losses to the local population.

11 September--The newly accredited Ambassador of the USSR to Vietnam, D.I. Kachin, paid a courtesy visit to Chairman of the Council of Ministers Pham Van Dong.

14 September--Pham Van Dong, political bureau member of the Communist Party of Vietnam Central Committee and chairman of the Council of Ministers, granted an interview to the National Daily NHAN DAN on the new Soviet peace initiatives.

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The paper says: "After the victory over Nazi fascism, mankind shared the hope that the final verdicts of the tribunal had put a definitive end to fascism. Yet, with the assistance and encouragement of imperialism, the neo-fascists have, over the past decades, emerged in many parts of the world like venomous snakes. They have become very active, declared their readiness to oppose democracy, intensified their racist policy and put forth revanchist claims.

According to the WASHINGTON POST, more than 50,000 former members of the Nazi remain in the world, 10,000 of them living in the United States.

The particular attributes, ideology and practices of fascism are alive in many parts of the world. This is racism, of all denominations, rabid anti-communism and racial discrimination in all forms...to the names which once wrenched the heart of mankind such as Lidice, Katyn, Oswiecim, Oradour...many more have been added: Son My Village, the Central Stadium of San Chicago, Sabra, Shatila, Soweto..." NHAN DAN goes on: "The great victory of the Soviet Union and other anti-fascist forces over fascism and the success of the Nuremberg trial are of great significance not only in that it has eliminated fascism and warned mankind to heighten vigilance but also in that it has affirmed the great principle of peaceful co-existence among different socio-political systems in the world."

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VNA REPORTS MAIN SEPTEMBER EVENTS IN SRV

OW022030 Hanoi VNA in English 1500 GMT 2 Oct 86

[Text] 1 September--A grand meeting was held here to mark the 41st anniversary of the August Revolution (30 August) and National Day (2 September).

- Representatives of Vietnam and the United States held a meeting here to discuss the issue of Amerasian children in Vietnam.

2 September--The 1986 cycling race sponsored by the Vietnam Peace Committee closed in the central Vietnam Province of Quang Nam - Dang Nang.

4 September--Vice President of the State Council Nguyen Huu Tho delivered his speech at a plenary meeting of the 8th Non-Aligned Summit, held in Harare, Zimbabwe on 1 September.

5 September--A symposium under the theme "Buddhism and Peace" was held here in response to the UN-sponsored International Year of Peace and the Vientiane declaration of the 7th meeting of the Asian Buddhist Conference for Peace (ABCP).

6 September--Vietnam returned to China 27 Chinese citizens captured while illegally intruding into Vietnamese territory.

- Storm "Wayne" hit Vietnam's northern provinces, causing substantial losses to the local population.

11 September--The newly accredited Ambassador of the USSR to Vietnam, D.I. Kachin, paid a courtesy visit to Chairman of the Council of Ministers Pham Van Dong.

14 September--Pham Van Dong, political bureau member of the Communist Party of Vietnam Central Committee and chairman of the Council of Ministers, granted an interview to the National Daily NHAN DAN on the new Soviet peace initiatives.

15 September--A joint message sent by Vietnam's various mass organizations to Colonel Mu'ammar Al-Qadhdhafi of Libya condemned the new hostile moves of U.S. imperialism against Libya.

16 September--A national seminar on essential drugs was held here under the joint sponsorship of Ministry of Public Health, the United Nations World Health Organization and the Swedish International Development Authority.

17 September--A representative of the Vietnamese Office for Seeking Missing Personnel handed over the remains of one American serviceman who died during the Vietnam War to a representative of the U.S. government.

19 September--Vietnam and Laos exchanged instruments ratifying the Complementary Treaty to the Border Delimitation Treaty reached between the two countries respectively on 24 January 1986 and 18 July 1977.

23 September--A conference of the General Director of News Agencies of Socialist and Socialist-Oriented Countries opened in Ho Chi Minh City.

- Truong Chinh, general secretary of the Communist Party of Vietnam Central Committee and president of the Council of State, met representatives of coal miners here.

24 September--The 3rd Conference of the Foreign Trade Ministers of Vietnam, Laos and Kampuchea opened here.

26 September--A plan on scientific, cultural and educational cooperation between Vietnam and Hungary for 1986-90 was signed here.

29 September--Chairman of the Council of Ministers Pham Van Dong received here a visiting delegation of the Social Democratic Youth League (SDYL) of Sweden led by Ms Lindh Ylva Anna Maria, member of Parliament, member of the Social Democratic Party National Council and chairman of the SDYL.

30 September--State Council President Truong Chinh sent a message of greetings to President of the People's Republic of China Li Xiannian on the occasion of the 37th anniversary of the National Day of the People's Republic of China (1 October).

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CSO: 4200/23

BRIEFS

SWEDISH ASSISTANCE--Hanoi VNA 25 Sep--The Swedish International Development Authority (SIDA) has for years helped Vietnam build, restore, or enlarge many industrial projects. Among them are the Vinh Phu Paper and Pulp Mill (north of Hanoi) with a capacity of 55,000 tons per year, afforestation projects for paper making materials, the Vietnam-Sweden Children's Hospital in Hanoi, the Uong Bi Hospital reserved for coal miners in the northeast province of Quang Ninh, expansion of some medical instruments production establishments, and grants to the textile industry. SIDA also helped in the restoration and enlargement of the Tan Mai and Dong Nai Paper mills in southern Vietnam. Besides, Vietnam has always received timely humanitarian aid from SIDA in case of natural disasters. [Text] [Hanoi VNA in English 0656 GMT 25 Sep 86 OW] /12858

WOMEN'S DELEGATION VISITS AUSTRALIA--Hanoi VNA 1 Oct--The Women's Seminar on Peace and Security in Asia and the Pacific held recently in Sydney (Australia) under the theme "University of Peace" has demanded the recognition of the People's Republic of Kampuchea. A delegation of Vietnam led by Ms Nguyen Ngoc Dung attended the seminar. The participants issued an appeal, in which they stressed the necessity of starting dialogues between Asian countries on the basis of peaceful co-existence, voiced support for all peace initiatives in the region, demanded the dismantling of all U.S. military bases in the Asian-Pacific region, Australia included. The seminar also demanded the recognition of the People's Republic of Kampuchea, the ouster of the Polpotist clique from the United Nations, and called for broader cultural cooperation with and aid to Vietnam, Laos and Kampuchea. During its stay in Australia, the Vietnamese delegation attended the annual conference of the Australia-Vietnam Society in Canberra, contacted various trade union organizations, toured a steel complex in Wollongong and met with the representatives of the Vietnamese residents union in Australia. [Text] [Hanoi VNA in English 1507 GMT 1 Oct 86 OW] /12858

ITALIAN ENVOY PRESENTS CREDENTIALS--Hanoi VNA 1 October--The new Italian Ambassador to Vietnam, Leopoldo Ferri, today presented his credentials to Vice-President of the State Council Nguyen Huu Tho. Foreign Minister Nguyen Co Thach was present at the ceremony. [Text] [Hanoi VNA in English 1502 GMT 1 Oct 86 OW] /12858

TUNISIAN FOREIGN MINISTER GREETED--Hanoi VNA 3 October--Foreign Minister Nguyen Co Thach has sent his congratulations to Ahedi Mabrouk on his appointment as foreign minister of Tunisia. [Text] [Hanoi VNA in English 1520 GMT 3 Oct 86 OW] /12858

DUNG GREETS CZECHOSLOVAKIA'S ARMY DAY--Hanoi VNA 5 October--Defense Minister Gen Van Tien Dung has sent a message of greetings to his Czechoslovak counterpart, Colonel General Milan Vaclavikh, on the 42nd army day of Czechoslovakia (6 October). The message reads: "We greet the achievements recorded by the Czechsolovak people and army in national construction and defense over the past forty years and sincerely wish them still greater successes in implementing the resolutions of the 17th congress of the Communist Party of Czechoslovakia aimed at taking their socialist cause to new heights". The message expressed sincere thanks to the Czechoslovak party, government, people and army for their strong support and valuable asssistance to Vietnam. [Text] [Hanoi VNA in English 1454 GMT 5 Oct 86 OW] /12858

AGREEMENT WITH MOZAMBIQUE--Hanoi VNA 3 October--An Agreement on cooperation in public healthcare and a plan of cooperation in this field for the 1986-87 period between Vietnam and Mozambique have been signed in Maputo, Mozambique. Under these documents, the two sides will cooperate in public healthcare and social relief. Vietnam will send medical workers to help Mozambique. [Text] [Hanoi VNA in English 0802 GMT 4 Oct 86 OW] /12858

GDR LECTURER VISITS--Hanoi VNA 3 October--Dr Eckard Schmiedt, lecturer of the Central Committee of the Socialist Unity Party of Germany (SED), has visited Vietnam and given talks on the party's struggle for the implementation of the resolutions of its 11th congress. His audiences included party cadres, public employees and workers in Hanoi, Haiphong City and Quang Ninh Province. While here, he was received by Dao Duy Tung, member of the Central Committee of the Communist Party of Vietnam and head of its Department for Propaganda and Training. [Text] [Hanoi VNA in English 0706 GMT 4 Oct 86 OW] /12858

ACCORD SIGNED WITH BULGARIA--Hanoi VNA 4 October--An agreement on judiciary cooperation in civil, family and criminal cases was signed in Sofia yesterday between Bulgaria and Vietnam, reports BTA. The agreement was signed by the two countries' justice ministers, Mrs Svetla Daskalova and Phan Hien, on his official visit to Bulgaria. During the visit the Vietnamese minister was received by Yaroslav Radev, vice president of the State Council and Grigor Stoichkov, deputy chairman of the Council of Ministers. [Text] [Hanoi VNA in English 1449 GMT 4 Oct 86 OW] /12858

GOVERNMENT DELEGATION ARRIVES--Hanoi VNA 4 October--A delegation of the MPLA-Workers' Party and Government of Angola headed by Kundy Paihama, Politburo member of the Party Central Committee and cabinet minister, arrived here on Thursday for an official visit. The delegation, guest of the Communist Party of Vietnam Central Committee and the Council of Ministers, was warmly welcomed by, among others, Tran Xuan Bach, secretary of the CPV

Central Committee, and Nguyen Quang Tao, deputy head of the Foreign Relations Department of the Party Central Committee. [Text] [Hanoi VNA in English 1459 GMT 4 Oct 86 OW] /12858

MACHUNGO RECEIVES SRV AMBASSADOR--Hanoi VNA 4 October-- We highly valued and fully supported the tireless efforts made by the Vietnamese government aimed at bringing peace to Vietnam and the region as a whole", said Prime Minister of Mozambique Machungo, at his reception of Vietnamese Ambassador Nguyen Khac Huynh, in Maputo on 26 September. Prime Minister Machungo, who is also Politburo member of the FRELIMO Party Central Committee, expressed his satisfaction at the constant development of militant solidarity and friendship between the two countries and between the Communist Party of Vietnam and the FRELIMO party over the past decades. He said that in spite of numerous difficulties, the Vietnamese people have always supported and encouraged the Mozambican people's struggle for national independence and development, and thanked the Vietnamese government for sending specialists to help Mozambique." Relating to the Southeast Asian situation, the Mozambican leader warmly acclaimed the enormous efforts of Vietnam and Kampuchea for an early peaceful solution to the Kampuchea issue as well as Vietnam's endeavours to restore peace along its northern border by peaceful means. [All quotation marks as received] [Text] [Hanoi VNA in English 1454 GMT 4 Oct 86 OW] /12858

FOREIGN MINISTER SUPPORTS INDOCHINA--Hanoi VNA 5 October--Mongolia has always supported the constructive stance of Vietnam, Laos and Kampuchea and their efforts to stabilize the situation in Southeast Asia, said Mongolia Foreign Minister Mangalyn Dugersuren at the 41st session of the UN General Assembly on 2 October. The Mongolian foreign minister went on to say that Mongolia supports the converting of Southeast Asia into a region of peace, stability and cooperation. He further said that a stop to all acts of violation against the independence, sovereignty and territorial integrity of the People's Republic of Kampuchea and to all hostile acts against the other Indochinese countries would contribute to creating an atmosphere of mutual understanding and mutual trust among countries in the region. [Text] [Hanoi VNA in English 0708 GMT 5 Oct 86 OW] /12858

CSO: 4200/23

CONSTITUTION, INSTITUTIONALIZATION OF PARTY LINE DISCUSSED

Hanoi LUAT HOC in Vietnamese No 4, Oct-Dec 85 pp 24-31

[Article by Nguyen Dinh Loc: "The Constitution and the Task of Institutionalizing the Party Line and Policies"]

[Text] I

The 1980 Constitution is exactly 5 years old!

In our country's constitutional history up to the 1980 Constitution, we may say that the basic matters having to do with life in the Vietnamese society have been dealt with in a stable manner in the fundamental law of the state and society and have become the basic institutions regulating life of the entire social community of reunified Vietnam, which is in the period of transition to socialism.

We have a good basis to affirm that with the 1980 Constitution, Vietnam has made a long step in many ways in its constitutional work. The 1980 Constitution, which first of all is the basic legal document, notes the momentous changes in the nation's history. At the same time, it is a convincing evidence of the remarkable growth in our country's internal movement of the constitutional work. With the 1980 Constitution, the constitutional legal conceptual system reflecting the overall legal energy and thinking, the most important component of Vietnam's legal conceptual asset, has been supplemented, enriched, and diversified. The 1980 Constitution can totally serve as a basis for the compilation of our country's dictionary of terminology in constitutional law.

In the constitutional legal conceptual system, the term "institutionalization" has become a concept that occupies a specially important position. Having appeared in our country only in the mid-1970's, it has quickly asserted its position and has perhaps become one of the most popular concepts in our politico-legal language.

A noteworthy fact is that in our party and state documents the "institutionalization" concept usually appears beside "the Constitution" as a specific role of the SRV's Constitution with its very different functions. With the resolution of the Fourth Party Congress, the task that was set was

"to draft the Constitution of the SRV, to institutionalize through the fundamental law of the state the socialist collective ownership right of the working people." (Footnote 1) ("Resolution of the Fourth National Congress of Delegates," p 67) Directive No 36, dated 4 February 1978, of the Political Bureau on organizing discussions among cadres and the people about drafting the new constitution affirms that the task of the constitution is "to institutionalize the socialist tasks and line that the Fourth Party Congress has suggested." "The report on party building" as it was presented at the Fifth Party Congress again deals with the role of the new constitution in institutionalizing the basic parts of the mechanism of "the party leads, the people are masters, the state manages," and so on. (Footnote 2) (See "Documents of Party Congresses...the Fifth Congress," ibid., Vol III, p 71)

In other words, institutionalization is the concept that appears in the party and state documents in direct relation to the basic matters of utmost importance of our society.

To clarify the contents, nature, and special manifestations of the institutionalization concept has a great theoretical and practical meaning.

The scope of this matter is very broad. Naturally, as institutionalization is carried out for any objects, the same given formulas are used and there must be the same manifestations. At the same time, to a certain extent these formulas and special manifestations do have a close relationship with the objects, the ones that are institutionalized. Therefore, it is totally logical if the matter is considered within the direct relationship with each and every object.

II

In the Preamble of the 1980 Constitution there is a sentence that says, "The SRV needs a constitution institutionalizing the line of the CPV in the new stage."

Thus for the first time in our country's constitutional history our constitution, right in its preamble, has officially affirmed its task--to institutionalize the revolutionary line of the ruling party. This affirmation marks a new period in which the great role of the constitution, the country's fundamental law, is being developed to serve in an active and effective manner the line of the ruling party and reflecting the requirements and possibilities of the new situation.

Many theoretical and practical questions are being raised: Why do the party line and policies need to be institutionalized and why not until the 1980 Constitution, our country's third constitution, has the task of institutionalizing the party line and policies been officially proposed in the constitution, the fundamental law? Did we intentionally avoid giving this special mission to the 1946 and 1959 Constitutions? And is it true that the prerequisite condition to be clarified is to define institution and institutionalization?

To put it briefly, by the "deciphering" method, to institutionalize the party line and policies is to turn these line and policies into an institution. But what is the meaning of institution itself? This term needs further explanation.

The term "institution" derives from the Latin word, "institutum," meaning to set up, to establish, to plan; according to the original words in the Chinese language, it means system, practice, (Footnote 3) (Dao Duy Anh's "Concise Chinese-Vietnamese Dictionary, p 397) and way of organizing and arranging. (Footnote 4) (Nguyen Quoc Hung's "New Chinese-Vietnamese Dictionary," p 710) As a scientific term, "institution" is widely used in the science of law to usually mean a collection of legal rules regulating a specific group of social relations of the same nature. In this meaning, it is a synonym of "decreeing." It also means a structure, an organization, an organ being established to ensure fulfillment of a given task or social function. In this meaning, it is a synonym of "establishing a system." Generally speaking, in the meaning we are looking into, to institutionalize the party line and policies by means of the constitution means to turn these line and policies into the system and statutes, the constitutional system and statutes, of the state.

Thus there is a change here: The party's line and policies, through the institutionalizing process, have become the state's system and statutes. In other words, we have behind the institutionalization the special relations between the CPV as the ruling party and the SRV state as an organization of power having sovereignty and covering the entire population of the country.

To talk about institutionalizing the party line and policies is really to talk about a subject being only a part of a larger subject. To make policies is one of the ways, naturally the most important way, to exercise the right of leadership, to demonstrate the leadership role, of the party as the ruling party in society as a whole. In this spirit, we can affirm that to talk about institutionalizing the party line and policies truly is to talk about institutionalizing the leadership role and power of the party.

There is a point we need to pay attention to: The leadership power of the party that was established during the revolutionary struggle is a historical reality and did not originate from the state, the constitution, or the law. The Marxist-Leninist party, by its ability to apply Marxism-Leninism--the most progressive theory of the era--to Vietnam's realities and to adopt a correct revolutionary line to guide the people's struggle; by its ability to mobilize, organize, and rally the masses for the struggle; and by its exemplary action and utmost loyalty to the people's interests, has affirmed its leadership right in our social life. The masses, from the experiences that were gained in the protracted struggle, have also recognized that the party's leadership power was the decisive factor that ensured victory for their struggle and have voluntarily accepted its leadership role. To institutionalize the leadership right of the party by means of the fundamental law of the state is only to confirm an objective historical reality by means of a legal document.

This assertion naturally does not contain any negative meaning, nor does it reflect any attempt to lower the truly great significance of the act of

institutionalizing the party line and policies by means of the constitution, the fundamental law of the state.

In reality, a party that leads a struggle of the people and class does not always have the ability and the conditions to institutionalize by the law of the state the line and policies it has adopted.

The need and the ability to institutionalize the line and policies of the party and to turn them into the system and statutes of the state are closely linked with the party's totally new role which has resulted from the cataclysmic turning point in its role in society: The party has become the ruling party.

Only the ruling party occupying the position of leader of the administration and leader of the state has the ability to institutionalize its leadership power, which is reflected in the line and policies it has adopted, and to turn them into the state system and statutes.

At the same time, for a ruling Marxist-Leninist party, a new need that must be created is to institutionalize its leadership power through the state, first of all through the central state organs, and as the most important aspect of this leadership power to turn the line and policies it has adopted into the constitution, the law, and generally speaking the system and statutes of the state.

This new need originates from a new and very special responsibility that the ruling Marxist-Leninist party must bear, a responsibility that has been created from the very beginning and has been growing in scope--the responsibility for managing all aspects of social life within the current decisive struggle between socialism and capitalism. The party line and policies affect every person and every aspect of social life and have a direct bearing on the most profound bases of community life and the habits and way of living of all strata of the population in society. In order to carry out its line and policies the party still continues to use, in a flexible manner to suit the new situation, the ways to motivate the masses that had been used in the period before its seizure of power; and at the same time, the party must strive to develop the role and usefulness of the new powerful means and tools, namely, the state and the law.

In the institutionalizing process, the party line and policies become the regulations, procedures, system and statutes that in themselves are the power and authority that eveybody in society must be compelled to respect and are enforced by the entire power of the state--its political power, organizing power, economic power, financial power, and so on. In this meaning, to talk about institutionalizing the party line and policies is to talk about the combination of the persuading power of the party line and policies due to their correct revolutionary and scientific character and the power resulting from the state's power and authority. This reinforces the strength and effectiveness of the party line and policies, increases their persuading power and prestige, and ensures their results.

What is involved here is not simply a change of form, a change of the way to reflect the party line and policies--changing from a party document to a state document, which is rather formal in character. The real meaning of the matter is much more profound than that.

In its full and total meaning, institutionalization is an activity being carried out in a synchronized manner and including a series of acts:

- To make the party line and policies become a system of regulations, procedures, and statutes of the state, which are the mandatory rules to be observed by everybody and serve as patterns and standards for actual conduct and behavior of members of society;

- To bring to the party line and policies the official and direct guarantee provided by the state's power;

- To set up a structure, a system of necessary organizations and organs, and to take correlative and appropriate measures to carry out the party line and policies and to ensure that these line and policies become realities.

III

In the two previous constitutions, particularly in the 1946 Constitution, the party's leadership right was not yet officially affirmed. Consequently, some people think that only in the 1980 Constitution did we bring up the task of institutionalizing the party line by means of the constitution.

It is obvious that this way of thinking leans more toward form than the real nature of the matter.

We all know that the three Vietnamese constitutions--the 1946 Constitution, the 1959 Constitution, and the 1980 Constitution--were all drafted under the conditions of the party having seized the right to lead the state and having become the ruling party. All three constitutions were drafted in accordance with the party's initiative and under the party's leadership. It was natural that they all constituted a "state-ization" of the party line and policies. Each constitution, which was born in a point in history, is but the incarnation of the party line and policies in a specific historical period, satisfies the needs of the stage, and must be suitable for the latter.

As to the question, what does each constitution institutionalize, or in other words what does it incarnate, the answer is among the three constitutions there is no difference because they all involve the party line and policies. But as to another question, what are the contents of the party line and policies that each constitution wants to institutionalize, it is obvious that there is a difference among the three constitutions. The difference here, which reflects the characteristics of each stage, involves the posture and strength of the revolution, the balance of power between us and the enemy, and the actual historical situation in our country and in the world in each stage.

Generally speaking, all three constitutions call for institutionalizing the party line, with the characteristics reflecting the revolutionary posture that

was progressing from weak to strong and becoming more and more assured and vigorous, and with the party's leadership role that was being established more and more firmly everyday; recognized by historical realities; and praised, further developed everyday, and extended to all aspects of social life.

The 1946 Constitution was born in a special situation.

The year 1946 was the first year of the people's administration. The international imperialistic and reactionary forces, as well as the adversary and lackey forces within the country, joined in the efforts to find the schemes to weaken and overthrow the people's administration. That was the time when the posture and strength of the revolution and the fate of the nation were like "a thousand kilograms hanging on a strand of hair." (Footnote 5) (See "Fifty Years of Activities of the CPV," Su That Publishing House, Hanoi, 1984, p 86)

That was the historical and actual reason why a special situation that had seldom occurred in the world revolutionary movement existed at that time: The CPV which had successfully led the revolution and become a ruling party now went underground and by its open declaration "dissolved itself" (on 11 November 1945). (Footnote 6) (Ibid., p 93) Although the party went underground, it still retained its leadership over the administration and remained a ruling party, and the task set for it was to consolidate and strengthen its leadership power as a decisive factor that would ensure victory for the revolution.

Although in the preamble, seven chapters, and 70 articles of the 1946 Constitution there are no words that directly refer to the party's leadership role and power over the state, the contents of the constitution through its chapters and articles clearly indicate the fact that the party line and policies have been institutionalized. They were the policies about the great national solidarity bloc, for SU THAT, the then newspaper of the party, in an article entitled, "Some Ideas About the Vietnamese Constitution," wrote: "The great-solidarity policy at this time is the only road to survival for the Vietnamese proletariat, and for all other classes as well." (Footnote 7) ("Some Ideas About the Vietnamese Constitution," SU THAT, No 61, 8 Nov 1946) That was also the policy calling for "building a democratically strong administration capable of bringing the country to glory as it travels on the road of the struggle for self-liberation," (Footnote 8) (Ibid.) the policy that had been included in the draft constitution and was considered by the author of the article the principle "most important in the Constitution of Vietnam." (Footnote 9) (Ibid.)

That party policy is contained in the chapters and articles and solemnly asserted in the preamble of the constitution, which was officially approved by the First National Assembly on 9 November 1946:

"The task of our nation in this stage is to defend the territory, to regain total independence, and to rebuild the country on a democratic foundation.

"The Constitution of Vietnam must note the glorious achievements of the revolution and be built on the following principles:

"- To promote all-people solidarity without discrimination of race, sex, class, and religion.

"- To set up a strong and clearsighted people's administration."

Under the conditions of the party having gone underground and the party leadership organs no longer operating in an open manner, however, "the party still continues to lead the administration and the people." (Footnote 10) ("Fifty Years of Activities of the CPV," p 93) The constitution must create a solid legal base to ensure the party's leadership power.

In this spirit, the contents of Chapter IV of the Constitution on the Government are very noteworthy.

According to Article 31 and Article 49, the chairman of the nation has very broad powers, for instance to represent the country; to be the commander-in-chief of the nation's army, to appoint or to dismiss from office the generals in the army, navy, and air force; to grant special amnesty; to sign treaties with other countries; to declare war or to put an end to war; to select a premier. He especially is vested with the power to ask the National Assembly to debate again the laws that it has passed. He is also the head of the Government, which in turn is vested by the Constitution also with such major powers as implementing the laws and resolutions of the National Assembly, proposing bills and draft decrees, implementing the mobilization law and other necessary measures to defend the country, and so on (Article 52).

The 1959 Constitution was born in a different situation, in which the posture and strength of the revolution had made very great progress and the party not only had operated in the open again but its leadership role also had been recognized by society as a factor that would ensure victory for the revolution. That was the reason why the formula for institutionalizing the party's leadership role showed a new step toward better quality. The special formula as contained in the 1959 Constitution for institutionalizing the party line and policies is shown as follows:

1. As in the case of the 1946 Constitution, the party revolutionary line in the new stage--the line on putting the North on the road of transition to socialism and struggling for reunification of the country--is institutionalized to become the constitutional principles, which in turn become the legal base for the entire organization and activities of the state and society in the new stage.

2. At the same time, the party's leadership role is officially mentioned in the Preamble of the new constitution in two forms:

a. In the upper part of the Preamble, the Constitution affirms: "Since 1930, under the leadership of the Indochinese Communist Party, now the Vietnam Workers Party, the Vietnamese revolution has entered a new stage...." In other words, the party's leadership role here is asserted as a historical reality.

b. In the lower part of the Preamble, the Constitution has this to say: "Under the clearsighted leadership of the Vietnam Workers Party, the Government of the Democratic Republic of Vietnam, and President Ho Chi Minh, our people as a whole, closely united in the Unified National Front, will surely score glorious victory in the socialist construction in the North and achieve reunification of the country." In other words, the party's leadership role is asserted as a factor that ensures victory.

The provision on the chairman of the nation and other provisions enacted in the 1946 Constitution as special measures to deal with the situation at that time proved unnecessary in the new situation. That was the reason why the 1959 Constitution, which was considered the constitution that revised the 1946 Constitution, affirmed a series of new principles and rulings reflecting and institutionalizing the achievements of the revolution and bringing our country's constitutional rules to a new development and obviously higher order. The provision on the chairman of the nation as contained in the 1946 Constitution was replaced by a new setup: The title of chairman of the nation as head of state and the top official representing the DRV in domestic and foreign affairs was still retained, but most of the powers decreed in the 1946 Constitution were transferred to the Standing Committee of the National Assembly, the permanent organ of the latter. Thus, as we can see, in this matter alone there have been between the 1946 and 1959 Constitutions both succession and heightening, with continuity being maintained in the development of the legal provisions in the Constitution of Vietnam.

The birth of the 1980 Constitution, which continues the development that has taken shape in the 1959 Constitution, marks a very distinctive new stage in the institutionalization of the party line and policies by means of the fundamental law. The formula for this institutionalization is especially rich. The contents of the institutionalizing task are widened and have a very broad scope.

The newness and uniqueness are clearly shown in the Preamble. For the first time, the task of the Constitution to institutionalize the party line and policies is openly and officially affirmed: "The SRV needs a constitution institutionalizing the line of the CPV." For the first time, in the 1980 Constitution, in the official language of the state there appears the concept of "institutionalizing the line of the CPV," although in reality, from the very beginning Vietnam's constitutions have accomplished this function. Also for the first time, along with officially affirming the task of institutionalizing the party line, the 1980 Constitution Preamble solemnly recognizes the entire revolutionary line as set forth by the Fourth Party Congress.

In direct connection with the institutionalizing task, the 1980 Constitution, unlike the previous constitutions, shows a difference between the task of institutionalizing the party's leadership position and role toward society as a whole and the task of institutionalizing the party line and policies. This distinction is totally correct and necessary. We can say that the one task does not replace but rather supplements the other. As we said earlier, in terms of their contents, the party's leadership is broader than its line and

policies, which are only a formula, though the most important one, for showing the party's leadership role.

Considering its actual contents, we find that, on the one hand, the 1980 Constitution, with the preamble and 147 articles divided into 12 chapters, is nothing but the party line and policies regarding the various fields of social activities and the different matters in which the party must provide guidance and leadership in favor of society. Naturally, the extent and scope of the party line and policy matters to be institutionalized this time are much more general and broader in comparison to the two previous constitutions. But basically there is no difference among the three constitutions in terms of determining the relationship between the constitution and the party line and policies. The constitution, whether it is the 1946, 1959, or 1980 Constitution, is the party's basic line and policies that are "state-ized." On the other hand, in regard to institutionalizing the party's leadership position and role, there is a basic renewal in the 1980 Constitution.

Continuing the formula set in the 1959 Constitution, the 1980 Constitution, right in its preamble, affirms that the party's leadership is a historical reality and a factor that ensures victory of the Vietnamese revolution. A noteworthy fact is that in the preamble of the 1980 Constitution the party leadership is mentioned from different angles: "Since 1930, under the leadership of the CPV"; "Credit for the great successive victories of the Vietnamese revolution goes to the CPV"; "Our entire people are determined to strengthen unity...to advance along the line charted by the Fourth National Congress of Delegates of the CPV"; "...needs a constitution institutionalizing the line of the CPV..."; the constitution "reflects the relationships among the party assuming leadership, the people being masters, and the state managing..."; "...the Vietnamese people as a whole closely unite under the invincible banner of the CPV...."

At the same time, for the first time in our country's constitutional history, right in Chapter I, in a respectable space, the 1980 Constitution devotes an entire article (Article 4) to institutionalizing the party's leadership position in the country's life.

With the ruling contained in Article 4, the CPV, in the capacity of "the only force leading the state, leading society," not only is a historical reality but from now on also becomes a constitutional system that the state safeguards with all of its power. This has an especially important significance for a ruling party.

Article 4 of the 1980 Constitution continues: "The party exists and struggles for the interests of the working class and the people of Vietnam as a whole.

"Its organizations operate within the framework of the constitution."

With such a ruling, the 1980 Constitution has resolved in the legal sense an always sensitive matter that has been existing not only in our thinking but also in real life and has to do with the relationship between the leadership of the party as a ruling party and the effects of the law and administration of the state.

The ruling party is the one that leads the administration, but this does not mean that it is a dictatorial one, nor does it imply that the party organizations can put themselves above the constitution and disregard the law of the state.

Presenting the "Report on the Draft Constitution of the SRV" to the Sixth National Assembly session that was convened to approve the 1980 Constitution, Truong Chinh emphasized that the ruling to the effect that the party organizations operate within the framework of the constitution "not only is not contrary to affirming the party's leadership role but also further enhances the party's prestige."

The task of institutionalizing the party line and policies is not limited to the constitution. This task is set forth in the entire system of socialist law. But the constitution as the fundamental law is the most important form of institutionalizing the party line and policies.

5598
CSO: 4209/859

PARTY CLEANUP IN LIEN SON REPORTED

Nam Dinh HA NAM NINH in Vietnamese 27 Jun 86 p 4

[Article by Tien Luc: "Party Organization in Lien Son Purifies Its Ranks"]

[Text] The CPV organization in Lien Son Village (Gia Vien) carried out Directive No 79 of the Secretariat of the Party Central Committee at a difficult time--a slot in its standing committee was unfilled, new administration cadres were to be chosen, and the post of agricultural cooperative director was left vacant following the embezzlement of collectively owned supplies and proceeds of paddy sales. The chief accountant and some economic cadres were aging and unhealthy and were widely criticized by the masses for their behavior and lifestyle. The chief accountant was also suspected of misappropriating public funds for building his home. Some party chapters were rated weak and some party members gave up party activities to embrace trade. That explains why the masses wanted the party organization to conduct self-criticism strictly and cast light upon the involvement of some cadres and party members in corruption and in feathering their nests illegally, thus laying the groundwork for strengthening unity, promptly redressing shortcomings, and enabling the party organization to restore public confidence and to lead the village to achieve its 1986 socioeconomic goals.

Party committee echelons have spent time visiting all production units and hamlets to gather popular comments on the party committee, the administration, the management board and control committee of the cooperative, and the personal behavior of cadres and party members, and 250 party members were charged with collecting popular input. Nearly 100 ideas so compiled were addressed at the conference of cooperative members. Many people spoke well of the party committee secretary and deputy secretary, the village people's committee chairman, and some party chapter secretaries and production unit chiefs. However, quite a few people candidly challenged T, the cooperative director, and H, the chief accountant, to explain how they managed to wallow in wealth overnight although the annual income of their families was no higher than that of the rest of the village. People asked the party committee to investigate the sudden opulence of some cadres and party members, insisting on the need to evict embezzlers. They also asked the party committee to let the conference of cooperative members select cooperative officials, including warehouse custodian, treasurer, accountant, planner, and provision supplier, and expose and crack down harshly on those accused of economic irregularities.

Due to strict guidance, the conference of cooperative members achieved excellent results. The participants contributed sound ideas to the cooperative's ways of doing business and adopted production and management procedures. They also took steps to end land misappropriations, unnecessary festivities, and licentiousness, and to choose a new contingent of managerial cadres, 80 percent of whom were young and skilled; 90 percent have received elementary and advanced training, and 70 percent were graduates from Level-III schools and party classes in elementary Marxist-Leninist dialectics. Some appointees had a college education. About 10 former cadres found guilty of economic wrongdoings, including the cooperative director, the chief accountant, and the warehouse keeper, were removed from office by the conference. People have sent written complaints to the party committee, requesting it to review the qualifications of 10 party members found guilty of misappropriating land, giving up party activities to embrace illegal trade, beating up people, and stealing supplies and capital belonging to the collective.

In the past, whenever it received a complaint, the party committee summoned the accused to its office for a mild rebuke. Some offenders were prosecuted, but the penalty was nothing more than an internal disciplinary measure which had never been made public.

To maintain strict party discipline, help wrongdoers reform themselves promptly, and restore public confidence, it is imperative to prosecute the right offenders and the right offenses. The party committee has consolidated the inspection committee, the people's control committee, and the committee in charge of supervising and stimulating the masses to criticize faulty cadres and party members in a straightforward and proper manner.

All offenses against discipline were addressed by the party committee in three phases. In phase one, the accused appeared before the party committee to discuss their problems. In phase two, they conducted self-criticism in their own party chapters and production units. In phase three, they assessed the noxious consequences of their misdeeds and accepted appropriate penalties with good grace. The accused were bound to tell the truth and liars were subject to heavier penalties. Before punishment was inflicted, the accused were allowed to defend themselves before the party committee. Penalties were widely publicized.

Due to strict compliance with principles and procedures, the party committee has solved all serious offenses with fairness. Equitableness was ensured in 20 cases, including 3 dismissals from the party, 9 warnings, 1 dismissal from office, and 7 official reprimands and intraparty demotions. None of the three expulsions from the party was subject to review. Recently, the party committee assembled those cadres and party members who have been punished to discuss corrective steps. Many of them spontaneously let in party committee echelons on their thinking and work aimed at overcoming flaws and achieving progress.

9213/12947
CSO: 4209/826

REMISS MANAGEMENT IN NGUYEN XA COOPERATIVE DISCUSSED

Nam Dinh HA NAM NINH in Vietnamese 27 Jun 86 p 4

[Article by Nguyen Ngoc: "Lesson From Lax Leadership and Management in Nguyen Xa Cooperative"]

[Text] For years the CPV organization in Nguyen Xa Cooperative, My Tien Village (Binh Luc), has been rated weak, with a mass movement unable to press forward and numerous flaws in economic management.

Implementing Directive No 79, the standing committee of the Binh Luc District party committee sent an inspection team led by one of its members into the cooperative to help the latter's party committee look straight at realities, ferret out the causes of weakness and stagnancy, and take remedial steps.

A major cause--and also shortcoming--is that there were no united leadership and guidance, giving rise to aberrant implementation of policies, to loose management, to violations of regulations on property and spending management, and to tendencies to veer toward the right and to take key cadres to task for their wrongdoings. Nguyen Xa Cooperative officials took it upon themselves to sell fuel destined for agricultural machinery and auction off houses, raw materials, and supplies without bothering to make inventories, invite bids, and demand full payment before buyers were allowed to remove their acquisitions from warehouses. In mid 1984-85, they sold 16,000 dong worth of live-weight pork but did not record the sales.

Although rice productivity in the cooperative was low, most of its expenses were paid for with paddy. In 2 years, meetings, festivities, and gifts alone, plus overinflated wages and allowances, cost nearly 28 tons of paddy. However, what deserved attention is that many paddy disbursements were illegal with forged signatures of warehouse keepers and receivers. In 1984-85, cash disbursements amounting to 304,104 dong (old dong) included 351 documents--241 of which, totaling 148,504 dong, did not run true to form, with expenses lacking justification, or corroborating evidence, or signatures of account holders and receivers, or they carried the latter's forged signatures.

Director Nguyen Van N was held responsible for all the above and other irregularities. For instance, he was allocated 250 square meters of land for house building, but he took 883 square meters instead. He paid for some raw materials and supplies purchased from the collective in an unclear and devious

manner. Along with the deputy director, he ordered the sale of tons of paddy and pocketed the proceeds. In his self-criticism, Comrade N accepted of his own free will the penalty of intra-party demotion.

In light of the inspection team's findings, the CPV committee of Binh Luc District has decided to dismiss Nguyen Van N from the positions of village party committee echelon and cooperative director, to remove Tran Van T from the posts of cooperative party secretary and control committee chairman, and to censure Tran Van B, a cooperative party committee echelon and deputy cooperative director. Those party members found guilty of violating economic regulations and misappropriating collective land were ordered to pay back. By now, the collective has recovered 60,000 dong, 400 kg of paddy, 280 kg of engine fuel, and 10 cubic meters of sand.

Nguyen Xa Cooperative has elected a new management board and has taken steps to consolidate its apparatus from top to bottom and strive to move ahead as soon as possible.

9213/12947
CSO: 4209/826

FATHERLAND FRONT IN THREE CITIES REVIEWS EFFORTS TO HELP PEOPLE

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 1 Aug 86 pp 1,4

[Article by Le Doan Hoan: "Hanoi, Haiphong, Ho Chi Minh City Fatherland Front Committees Look After Spiritual and Material Life of the Masses, Encourage the Masses to Fulfill Political Tasks."]

[Text] On 28 and 29 July 1986, the municipal fatherland front committee held a conference to review the emulation movement for the first 6 months of the year with the fatherland fronts from the three municipalities of Hanoi, Haiphong and Ho Chi Minh City.

Representatives of the fatherland front committees of the three municipalities reported on the emulation movement in their locality over the past 6 months. Haiphong Municipality, with 33 subwards, had 29 subwards which formulated collective ownership regulations. The fatherland front at all levels of Ho Chi Minh City formulated a number of responsible contracts with the people's committee, people's council, and precincts, districts, subwards and villages. These are new features in the front's work this year.

The Hanoi and Haiphong Fatherland Front Committees have extended the longevity fund movement broadly and widely. The Ho Chi Minh City Fatherland Front Committee has supervised and controlled a portion of the administration's work, such as coordinating control of the distribution of nine items to cadres, workers and civil servants in precise amounts.

The fatherland front committees of the three municipalities have been concerned with strengthening the relationship between the front and the administration, strengthening and developing the collective ownership right of laboring people, and organizing the signing of responsible contracts between the front and administration and the front and trade, public security, and forestry sectors. The Hanoi Municipality Fatherland Front Committee is also devoting attention to strengthening the functions of the front network in wards and neighborhoods in order to motivate production emulation, looking after life, etc.

In reviewing the conference, Huynh Tan Phat, chairman of the Central Committee of the Vietnam Fatherland Front, emphasized: The Front should do even more to contribute to improving the material life and the spiritual and political life of the people because there still are many places violating collective ownership rights, causing discord and reducing the people's confidence in the revolution.

Recently, the front's movements have risen higher than before, but they still treat building and developing mass forces lightly. The main function of the front, coordinating action, should go deeply into front work at the primary level, go into populated areas to build up mass forces and, on the basis of looking after the spiritual and material life of the masses, encourage the masses to carry out the revolution's political tasks.

6915
CSO: 4209/841

CITY ISSUES NEW DIRECTIVE ON DEVELOPMENT OF SHRIMP, FISH INDUSTRY

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 1 Aug 86 pp 1,4

[Article by T.L.: "Turn Shrimp and Fish Raising for Export into One of the City's Main Business Sectors"]

[Text] On 25 July 1986, the municipal people's committee issued a directive to levels, sectors, mass organizations, units of the armed forces, and production units to step up the raising of marine products in order to bring about vigorous changes and turn shrimp and fish raising for export into one of the main business sectors in the city's present production structure.

The objective of this effort is for the city to be raising by 1990, 15,000 tons of shrimp and fish, including 5,000 tons of shrimp for export. For the immediate future, it will strive to raise by the end of this year 6,000 tons of shrimp and fish, including 800 tons of shrimp for export.

To fulfill the aforementioned guidelines and objective, the municipal people's committee designated the marine products sector to cooperate closely with related sectors in continuing to adjust and supplement the general plan of each precinct and district, the key ones being Duyen Hai District and Nha Be District, formulate long-term and short-term plans on raising marine products, develop agriculture-pisciculture-forestry or coordinated agriculture-forestry-pisciculture models in districts on the outskirts of the city and in adjoining precincts. The marine products sector bears overall responsibility for state management aspects, supervising and guiding zoning and planning, and training ranks of technical cadres in marine products for the localities. The municipal people's committee has also assigned the marine products sector, the science and technology committee, the forestry and agricultural sector to formulate programs to put scientific and technical progress to use in breeding, food, and technical regulations for raising in accordance with models set forth.

As for policy on raising marine products, the municipal people's committee has assigned related sectors, especially the marine products sector and import-export corporation, to study and make proposals to the city on investment capital, the rights of shrimp and fish raisers, prices, right to use foreign currency, etc.

6915
CSO: 4209/841

SUCCESS IN ECONOMIC ASSOCIATION NOTED

Hanoi HANOI MOI in Vietnamese 1 Aug 86 pp 1, 3

[Article: "Expand Economic and Technical Association: In First 6 Months of the Year, Hanoi Has Engaged in Business Associations With 24 Provinces and 12 Ministries and General Departments, Generating More Than 560 Million Dong and 500,000 Dong Worth of Foreign Currency, Increasing Volume of Supplies and Commodities by 40 Percent From Same Period Last Year"]

[Text] Fostering the momentum of economic association in which it has engaged in recent years, the city has reaped the fruits of some joint business ventures in the first 6 months of 1986--sieving and selecting coal in Worksite 1 May; exploiting coal in Quang Ninh; growing and processing rush for export in Ha Nam Ninh in order to create more raw materials and new jobs and develop the family economy; exploiting wood in Nghe Tinh, Binh Tri Thien, and Laos; rearing and catching Japanese and yellow shrimp in Kien Giang, Vung Tau, Minh Hai, and Quang Ninh; producing laundry soap, toothpaste, and fragrant soap at the Duc Giang Chemical Factory; producing artifical and tanned leather with the Union of Textile Mills and the Thuy Khue Tanning Factory; producing adhesive tape and bicycle inner tubes with the Oil and Natural Gas Institute; and transporting merchandise by sea and producing stockings, plastic articles, woollen sweathers, gauze mosquito nets, bicycle chains and sprocket wheels, etc., with the General Corporation of Marine Product Exports and Imports and the Maritime Transportation General Department. All these joint ventures were aimed at generating about 1 million dong worth of foreign currency to finance the importation of supplies in support of production.

The city continued to broaden association and cooperation in production in order to acquire more building materials and agricultural and forestry products, and at the same time, it has organized a two-way transportation system to ensure a more regular commodity flow.

In the past 6 months, that effort has created for the city more than 560 million dong, 500,000 dong worth of foreign currency, 35,000 tons of coal, 2,600 tons of laundry soap, 14,000 cubic meters of wood, 1,700 tons of fertilizer, 500 tons of cement, 2,000 tons of line, more than 1 million bricks, and 2,700 tons of handicraft articles for export, representing a 40 percent increase in supplies and goods from the same period last year.

Joint economic and technical ventures boasted new features, which are aimed at producing more rush, coffee, rubber, wood, coal, shrimp, and export and import goods and at surpassing the 1985 track record with a planned 1.61 billion dong in supplies and raw materials, 7 million dong worth of foreign currency--accounting for 15 percent of the value of supplies and raw materials--and about 5 billion dong in merchandise. A striking characteristic is that Hanoi has undertaken major joint ventures with 24 provinces and 12 ministries and general departments--a cooperation that is expected to become closer and closer in the spirit of socialist partnership. Joint production is the best approach ever; however, such a venture cannot deliver the goods in a year, and sometimes 3-5 years are required. But the city's joint economic and technical ventures are still laced with difficulties and snags. Hanoi does not have a business accounting organization to handle economic and technical association matters directly with various installations and localities. At present, only a small outfit in the municipal planning committee is assigned the task of locating and contacting prospective partners. Joint ventures were not included in the detailed guiding plan at the beginning of the year. Nor were they committed to tangible results. And the city has not yet been able to concentrate capital investments on one place, paving the way for ministries and localities to fend for themselves. As a result, joint ventures were beneficial, not to the state and city, but only and mostly, to a lower level--to basic installations. The state has collected only its part of the profit in the state sector. The city's share of the pie was small. And the city has not yet been able to set up a commodity and supply fund in support for various sectors and levels. In construction, the city still caused difficulties to the friendly provinces, sending them only specific pieces of equipment and being unable to provide homogeneous turnkey-type material and technical bases. Moreover, it lacked the necessary small equipment to upgrade districts or combine districts into bigger units, laying the groundwork for turning each district into an industrial-agricultural-forestry-fishery production center.

A major reason is that joint economic and technical projects always came after the main plan, rather than along with it at the beginning of the year. Thus, to prepare for a joint venture both sides must inquire about each other's conditions (products, quantity, capital, prices, profit, etc.), spending considerable time on discussion and appraisal. Some installations have not clearly understood the importance of economic association, preferring instead to exchange goods and engage in trade to make a profit. The price-wage-money situation has slackened the pace of association between units and localities. Furthermore, although all joint ventures pursued the great goal of creating new jobs, their implementation was fraught with numerous difficulties due to limited capital.

As far as economic and technical association is concerned, our city will strive, during this and the coming years:

- to initiate joint ventures between units at the central echelon, between the central and local echelons, between state-run enterprises and cooperatives,

between industry and agriculture and transportation, etc. in order to avail itself fully of local potential and maximize the use of equipment and manpower, and to exploit peat, kaolin, pyrite, etc. in order to have more industrial goods for two-way exchanges,

- to harness land capabilities to rear domesticated animals and marine products, exploit small minerals, and process them into raw materials for use in making products for provinces, ministries, and the city; to take advantage of the particular strengths of each region of the country to turn out agricultural, forestry, fishery, and mineral products, coffee, pepper, rubber, fish, meat, shrimp, seaweed, sugar, coconut oil, titanium, zinc, chromium, manganese, barite, fertilizer, etc., creating more high-value products and reducing imports.

- to associate production with science and technology to make more high-quality products—black powder, metallic powders, spices, lilac, basic chemicals, knitwear, fishing nets--to develop electronics, wind electricity and electricity; and to rehabilitate traditional crafts and artistic handicrafts.

In terms of measures, Hanoi is going out of its way to acquire more capital to import additional supplies for production, including some for joint ventures with provinces, ministries, and general departments.

Guided by the motto of "always doing a good job, and doing it with sincerity and precision and in the spirit of splitting up both profits and losses," Hanoi is getting ready to move ahead with more firmness.

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CSO: 4209/844

VNA CARRIES AGRICULTURAL NEWSBRIEFS ABOUT VIETNAM

OW060821 Hanoi VNA in English 0708 GMT 6 Oct 86

[Quotation marks as received]

["Agriculture in Brief"--VNA headline]

[Text] Hanoi VNA 6 October--Despite many material and human losses caused by storm "Wayne" last month, farmers in northern provinces have put some 95 percent of its cultivable land under autumn rice. In the south, farmers have put another 145,000 ha under autumn rice, bringing the total acreage to 1,397,000 ha, a five-percent increase over the same period last year.

"About 300,000 ha of subsidiary food crops have been so far grown throughout the country, representing a five-percent increase above last year's figure.

"Plant stimulants produced by the Vietnam Institute of Agricultural Science and Technology are widely used in groundnut growing areas in northern provinces. On 600 ha of groundnut subjected to these stimulants in the last winter-spring crop output increased by 18-20 percent and protein and fat contents of the groundnut were up by 18-20 percent.

"Mao Vac District in the northern border province of Ha Tuyen plans to grow in this winter crop 1,700 ha of special crops for export, a two-fold increase compared with the same period last year. Other districts in the province have harvested their summer maize crops yielding 1.5-2 tons per ha.

"The silkworm farm in Ha Nam Ninh Province, south of Hanoi, has so far this year supplied agricultural farms with 14,000 batches of eggs. In the last spring and summer alone, these eggs yielded 55 tons of cocoon, an all-time high.

"The Vietnam-GDR Coffee Enterprise in the last five years restored 672 ha of coffee and put another 4,728 ha under new plantations, bringing the coffee acreage to 5,400 ha or nine times the 1980's figure.

"The Mekong Delta Province of Cuu Long has put 40,000 ha under high-yield rice varieties, yielding an average of six tons per ha in the last summer crop.

/12858
CSO: 4200/23

SUGARCANE PLANTING IN LY NHAN DECREASES

Nam Dinh HA NAM NINH in Vietnamese 27 Jun 86 p 2

[Article by Thanh Binh: "Sugarcane in Ly Nhan: Blanket Decrease in Acreage, Yield, and Volume of Production; Unsatisfactory Procedures and Policies; Growers Encounter Difficulties and Are Still Harassed"]

[Text] Our province has a sugarcane area in Ly Nhan District. This is a major source of raw materials for the Vinh Tru sugar and paper enterprise and a rather big supplementary supplier of raw materials for the Van Diem sugar factory (Hanoi). Until 1975, each year Ly Nhan planted 800 hectares and harvested 28,000 tons. However, sugarcane acreage and output have gradually decreased. In 1986, only 550 hectares were planted. In 1985, less than 25,000 tons--a far cry from the assigned norm of 33,000 tons--were shipped to factories as raw materials for industry. In Nhan Khang Cooperative, the "king" of sugarcane land, sugarcane acreage decreased by more than 10 hectares, and its output in 1985 was equal only to 60 percent of that in a previous good year. By mid-June 1986--a month before the end of the fertilizing schedule--just less than one-half the contracted quantity of nitrate fertilizer was used on sugarcane. Nguyen Dinh Ngon, director of the Nhan Khang Cooperative, predicted that regardless of its effort to catch up, his cooperative would produce this year 200-300 tons less than it did last year.

Nearly all cooperatives and their members in Ly Nhan are having doubts about sugarcane's profitability. If cooperatives were free to choose their crops, sugarcane acreage and output would have certainly decreased more substantially and at a faster pace.

The reasons for that situation are clear and are known to echelons, sectors, and leading officials.

To subsist, a cash-crop area depends on three decisive factors--grain acquisitions, investments, and purchase prices. As far as sugarcane areas and growers are concerned, all these factors are unsatisfactory and irrational.

Sugarcane cooperatives in Ly Nhan have a very low amount of land per capita--usually 1.5-1.6 sao, less than that of the district by nearly 1 sao. It is even lower in Hop Ly and Van Ly cooperatives--only 1 sao per person. Hence, additional planting of grain is very difficult. A sugarcane crop lasts a

full year--during which peasants grow a few short-term companion crops--but not grain and not in large quantities.

Currently, when he sells 1 ton of sugarcane to the state, a grower is allowed to buy 1 quintal of grain. With output averaging 40 tons per hectare, that is, 1.5 tons per sao, he can buy 150 kg of grain. But with rice he can grow two crops a year, enabling him to earn more while working less. This is not to mention the fact that in selling sugarcane he may be penalized for lower "sugar content" not in line with contracts--a procedure that entails corresponding decreases in output and grain supply. In Hop Ly and Van Ly cooperatives, where the amount of land per capita is lower than that in other parts of the district, each person can buy no more than 6 kg of grain in return for contract sales and sales of sugarcane grown without state assistance. Nhan Nghia and Xuan Khe cooperatives, two relatively big growers, are not eligible for grain purchases because they plant rice and because sugarcane sales are considered an obligation to the state. Worse yet, grain allocations are behind schedule. By 30 May 1986, peasants--including those in two sugarcane cooperatives--still had to wait for 150 tons of grain from a 1985 contract.

Allocations--especially allocations of nitrate fertilizer--are too little. Ly Nhan has engaged in intensive sugarcane cultivation in the past 20 years. The fertility of its land--swampy and alluvious--has already diminished. Since subsidiary food crops, grain, and animal husbandry are poor, stable manure reserved for sugarcane is not available in large quantities. Moreover, subsidiary food crops and rice often receive stable manure in priority. As investment in sugarcane, the state allows growers to buy 13 kg of premium nitrate fertilizr, 5 kg of phosphate fertilizer, 5 kg of calcium fertilizer, and 0.3 kg of insecticide (without specifying the quality and kinds of fertilizer to treat sugarcane pests), in return for the sale of 1 ton of sugarcane with full sugar content. In fact, to achieve an average 1.5-1.8 tons per sao, sugarcane growers must invest twice as much. To get noncontract supplies, they must depend on fluctuations of the unorganized market. If they nurse their crops with contract supplies alone, certainly cooperative members cannot fulfill production norms set by their units. As if all this were not enough, supplies often arrive late.

Although the prices of many products, even in the state sector, have increased, that of 1 ton of sugarcane with full sugar content remains at 450 dong. Given the low quality of Ly Nhan sugarcane, growers must sell 1.6 tons to get 450 dong--barely enough to pay for grain. The price differentials between sugarcane and other cash crops, such as jute, cast more light upon the low profitability of sugarcane. Members of Nhan Khang Cooperative have made a simple appraisal: In return for 1 ton of sugarcane sold to the state they can buy only an amount of grain equivalent to the value of 1.7 tons of sun-dried jute stalks used as firewood! The state purchases 1 ton of sugarcane at prices that are merely one-sixth of the free-market prices. These simple but realistic assessments have had an impact on the vicissitudes of the Ly Nhan sugarcane.

The Van Diem sugar factory and the Vinh Tru sugar and paper enterprise continue to purchase, sell, and deliver products at their installations. Although they have taken the transportation costs of cooperatives into account, this is still inadequate. In addition, 3-5 days, occasionally more than 1 week, usually elapse between cutting time and arrival at the factory, causing a decrease in sugar content and consequently in grain allocations. And losses during shipping are even greater, since sugarcane is an "edible commodity" that can be consumed anywhere by anyone. Slow-paced weighing and overbearing quality control at the enterprise inflict more losses to the peasants.

In recent years, installations in charge of weighing and receiving sugarcane for the state have determined the quality of that product according to its "sugar content." This technical measure, according to peasants in the sugarcane area, is still at the mercy of the purchasing party!

To remove these snags and create conditions for sugarcane to develop, it is clearly necessary, first of all, to review all procedures and policies toward the sugarcane crop and growers. In light of the effort to embrace profit-and-loss accounting in business and fight the system of state subsidies and bureaucratic centralism, our procedures and policies will succeed only if we can convince growers that they are able to ensure decent living standards and rentability. We should fight the system of state subsidies from the top down and also from the bottom up. Sugarcane growers hope that the factories come to their fields to purchase raw materials and take delivery of them right after harvesting, and will invest in production. It is also high time we considered developing agricultural land, building water conservancy facilities in sugarcane areas, and providing technical guidance in sugarcane planting and the selection of strains. Only by doing so can we restore sugarcane to its former worthy position.

9213/12947
CSO: 4209/826

BRIEFS

SUBSIDIARY FOOD CROPS--Hanoi VNA 26 Sep--In the past week, farmers throughout the country put nearly 20,000 more hectares under subsidiary food crops, chiefly maize, manioc and sweet potato, raising the total area of these crops to 300,000 hectares, 2.2 percent larger than in the corresponding period last year. In the north, in spite of the ravage by storm "Wayne" farmers have put 68,000 ha mostly under maize and sweet potato, up by 9 percent over the same period last crop. Hai Hung Province, east of Hanoi, plans to plant 40,000 ha of subsidiary food crops in this winter and Ha Nam Ninh 35,000 ha. With the rainy season setting in, southern provinces have also expanded the acreage of subsidiary food crops chiefly for export. Southern farmers have so far planted nearly 220,000 hectares under subsidiary food crops, up by 0.3 percent over last year. [Text] [Hanoi VNA in English 0732 GMT 26 Sep 86 OW] /12858

CSO: 4200/23

PHAM KHAI ARTICLE ON ELECTRIC POWER DEVELOPMENT

OW050751 Hanoi VNA in English 0659 GMT 5 Oct 86

[Text] Hanoi VNA 5 October--The following is an abridged version of an article written by Pham Khai, minister of power, for the daily NHAN DAN.

Vietnam has, excluding the Truong Sa and Hoang Sa archipelagos, more than 3,260 km of coastline and a dense system of rivers and canals with a density of 0.22 km/km [as received] and an inclination of 15-30 m/km. According to initial surveys, the total potential of exploitable energy is 75-100 billion kWh.

For many years to come, hydro-electric energy will remain the biggest potential for Vietnam to boost electricity production and increase cooperation with Laos and Kampuchea. Electricity production per head of population rose to 84 kWh from 64 kWh in 1980.

In the 1985-90 plan, Vietnam closely cooperated with the Soviet Union in working out the overall plan, second stage, for the development of electric supply in the 1985-90 period up to 1995. [as received] Thanks to this overall plan, Vietnam has been able to make effective use of Soviet aid to lay the foundations for short and long-term development programs and to decide on a correct investment policy. With the completion of this planning work in late 1985, the electric service has embarked on building up the third-stage plan for the 1991-95 period and up to the 2000-2005 period. This includes the preparations for the construction of other major energy projects after those at Hoa Binh, Tri An and Pha Lai.

Under the slogan "Combine Hydro with Thermal Electricity", the electric service has fulfilled the plan for hydro-electric stations in terms of combined capacity. Construction is being stepped up at the Hoa Binh Hydro-Electric Power Plant on the Da River with a combined capacity of 1,920 mw. The second damming of the Da River was achieved in early 1986 and the first generator turbine is expected to be operational by the end of 1987. Three generator turbines of the Pha Lai Thermal Electric Power Plant each with a capacity ranging from 330-440 mw have been commissioned. The first generator turbine of the Tri An Hydro-Electric Power Plant on the Dong Nai River with a designed capacity of 400 mw will be put into operation at the end of 1987. The three above-said plants will generate as much energy as all the plants combined in 1955.

In addition, the electric service has repaired nearly 100 old hydro-electric stations and installed about 100 smaller ones, bringing the total capacity of small hydro-electric stations to 25 mw, double the level in the 1960-80 period.

In its cooperation with other countries, Vietnam will rely on Soviet assistance while seeking assistance and cooperation from the other socialist countries, other countries and a number of international organizations.

It is reckoned that at the annual rate of increment of seven percent in electric output, Vietnam would have 22 billion kWh by the year 2000, and 25 billion kWh if the rate rises to 10 percent. With an expected population of 65 million by 1990 and electric consumption per head of population of 150-160 kW per year, the electricity need will be 9.5-10.5 billion kWh.

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CSO: 4200/23 END